

Company Number 03103550

THE COMPANIES ACTS 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

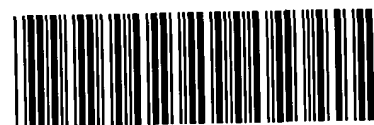
OF

TOWER HOUSE WEALTH MANAGEMENT LIMITED

(Adopted by special resolution passed on 14 September 2021)

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COMPANIES HOUSE

**THE COMPANIES ACTS, 1985, 1989 AND 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**TOWER HOUSE WEALTH MANGEMENT LIMITED**

**1. PRELIMINARY**

- 1.1 Except as provided, excluded or modified by these Articles, the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of the Articles ("**Model Articles**") shall apply to the company and, together with these Articles, shall constitute the articles of the company to the exclusion of all other regulations and articles.
- 1.2 Regulations 8,13, 17(2) and (3), 19, 27, 38, 49, 52 and 53 of the Model Articles shall not apply to the company and Regulation 7 shall be modified accordingly.

**2. INTERPRETATION**

- 2.1 Unless the context otherwise requires or unless otherwise defined in these Articles, words and expressions which bear particular meanings in the Model Articles shall bear the same respective meanings in these Articles. In these Articles:

<b>"2006 Act"</b>	means the Companies Act 2006:
<b>"A Shareholder"</b>	means the holder of A Shares;
<b>"A Shares"</b>	means the A ordinary shares of £0.01 each in the share capital of the company;
<b>"Approved Offer"</b>	means an offer in writing for all the Shares (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares in existence at the date of such offer) on identical terms (unless in the case of a particular Shareholder less favourable terms are agreed in writing) and which:  (a) is stipulated to be open for acceptance for at least 21 days;

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

(c) at a price for each Share which is not less than the subscription price;

<b>"Bad Leaver"</b>	means a Leaver who is not a Good Leaver;
<b>"B Shareholder"</b>	means the holder of B Shares;
<b>"B Shares"</b>	means the B ordinary shares of £0.01 each in the capital of the company;
<b>"Board"</b>	means the board of directors for the time being;
<b>"C Shares"</b>	means the C ordinary shares of £0.01 each in the capital of the company;
<b>"Connected Person"</b>	has the meaning set out in section 839 of the Income and Corporation Tax Act 1988 and <b>"Connected"</b> shall be construed accordingly;
<b>"Controlling Interest"</b>	means Shares conferring in aggregate 51% or more of the total voting rights conferred by all of the Shares for the time being in issue conferring the right to attend and vote at all general meetings of the company;
<b>"Eligible Director"</b>	means a director who would be entitled to vote on the matter at the meeting of directors (but excluding any directors whose vote is not to be counted in respect of a particular matter);
<b>"Expert"</b>	means St James' Place Plc (company number 03183415) whose registered office is at St James' Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP or they are not able to act, an independent firm of chartered accountants appointed by agreement between a Proposing Transferor and the Board or, if they cannot agree such appointment within 5 business days of any party suggesting three names then, by the President of the Institute of Chartered Accountants in England and Wales (or the relevant deputy of such person) at the request of the company or a Proposing Transferor and the terms or the expert's engagement shall be settled by the President of the institute of Chartered Accountants in England and Wales (or the relevant deputy of such person) in the event that the Board and the Proposing Transferor fail to agree such terms;

<b>"Good Leaver"</b>	means a Leaver in circumstances where he ceases to be employed the by company as a result of: <ul style="list-style-type: none"> <li>(i) redundancy;</li> <li>(ii) being dismissed in accordance with the terms of his contractual notice period other than as a result of gross misconduct, fraud or dishonestly;</li> <li>(iii) his resignation at any time after his 50<sup>th</sup> birthday;</li> <li>(iv) by virtue of mental or physical ill health (save where due to abuse of alcohol or drugs) is determined by at least two medical reports from independent specialists as being unable to perform substantially all of his duties as an employee of the company for a period or 6 months and such Leaver ceased to be an employee of the company as a result thereof, or;</li> <li>(v) death.</li> </ul>
<b>"Leaver"</b>	means a C Shareholder who ceases to be an employee of the company;
<b>"Market Value"</b>	shall mean the applicable market value of the relevant Shares as at the relevant transfer or deemed transfer date, as determined in accordance with the terms of clause 13.1 of the Shareholders Agreement;
<b>"Offer Notice"</b>	means a notice served by the company on behalf of the Proposing Transferor pursuant to article 7.5 to offer Sale Shares to the Shareholders and/or the company;
<b>"Permitted Transfer"</b>	means a transfer of Shares referred to in Article 6;
<b>"Proposing Transferor"</b>	means a Shareholder issuing a Transfer Notice or deemed to have issued a Transfer Notice;
<b>"Purchasing Shareholder"</b>	means a Shareholder (other than the Proposing Transferor) willing to purchase Sale Shares;
<b>"Regulations"</b>	means the regulation of the Model Articles;
<b>"Sale Notice"</b>	means a noticed issued by the company to a Proposing Transferor to identify the Sale Shares for which Purchasing Shareholders have been identified;
<b>"Shareholder" or "Member"</b>	means a person who is the holder of a Share;
<b>"Shareholders Agreement"</b>	means the shareholders agreement dated 7 May 2014, as amended and varied pursuant to a deed of variation dated

13 June 2014, a deed of variation dated 9 February 2020  
and a deed of variation dated [ 2021].

<b>"Sale Price"</b>	means a price per Sale Share as determined pursuant to Article 7.2;
<b>"Sale Shares"</b>	means the Shares identified in a Transfer Notice;
<b>"Shares"</b>	means the A Shares, the B Shares and the C Shares;
<b>"Total Transfer Condition"</b>	means a requirement that, unless all Sale Share are sold, none shall be sold; and
<b>"Transfer Notice"</b>	means a notice served or deemed to have been served upon the company by a Proposing Transferor pursuant to Article 7.1 indicating a Shareholder's intention to transfer Shares.

2.2 Words and phrases defined in the Act will have the same meanings in these Articles.

2.3 Where reference is made to a statutory provision this includes all prior and subsequent enactments, amendments and modification of that provision and any regulations made under it.

2.4 References to the masculine gender include the feminine and neuter and vice versa. Similarly, references to the singular will include the plural and vice versa.

2.5 The headings in these Articles are inserted for convenience only and will not affect the construction or interpretation of any of the provisions contained in them.

### 3. **ALLOTMENT OF SHARES**

Any Shares allotted to a Shareholder shall be re-designated as the same class of Shares by reference to the Shares held by such Shareholder at the time such allotment is made.

### 4. **LIENS**

4.1 The company has a first and paramount lien on every Share (whether fully paid or not) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share.

4.2 The company also has a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person indebted or under a liability to the company. This lien will apply to any Share of which such person is the sole registered holder or one of several joint holders and will be a first and paramount lien for all monies and liabilities whether presently due and payable or not.

4.3 The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article 4.

4.4 The company's lien (if any) on a Share will extend to any amount payable in respect of it.

4.5 Subject to the terms of allotment, the directors may make calls upon the Members in

respect of any moneys unpaid on their Shares (whether in respect of a nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due in respect of the call, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon who a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

- 4.6 A call shall be deemed to have been made at the time when the resolution of directors authorising the call was passed.
- 4.7 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Shares held by them.
- 4.8 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in notice of the call or, if no rate is fixed, as the appropriate rate (as defined in section 592 of the 2006 Act) but the directors may waive payment of the interest wholly or in part.
- 4.9 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 4.10 Subject to the terms of allotment, the directors may make arrangement on the issue of Shares for a difference between the Members in the amounts and times of payment of calls on their Shares.
- 4.11 If a call remains unpaid after it has become due and payable the directors may give to the person from who it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where the payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 4.12 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 4.13 Subject to the provisions of the 2006 Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the directors may authorise any person to execute an instrument of transfer of the share to that person.
- 4.14 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the company for cancellation the certificate for the Shares

forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in Section 592 of the 2006 Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

- 4.15 A statutory declaration by a director or the secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or in invalidity of the proceedings in references to the forfeiture or disposal of the Share.

## **5. TRANSFER OF SHARES**

- 5.1 The directors may decline to register any transfer of Shares which would otherwise be permitted pursuant to these Articles if it is a transfer:
- 5.1.1 of a Share on which the company has a lien;
  - 5.1.2 of a Share to a person of whom the Board shall not approve; and
  - 5.1.3 of a Share to a person or company which the Board consider is a competitor of the company.
- 5.2 The Board shall refuse to register any transfer of a Share (whether or not it is fully paid) made otherwise than pursuant to Article 5, 6, 7 or 8.
- 5.3 Any Sale Shares transferred to a Shareholder pursuant to these Articles shall be re-designated as the same class of Shares by reference to the Shares held by such Shareholder at the time such transfer is made.

## **6. PERMITTED SHARE TRANSFERS**

- 6.1 The provisions regarding permitted share transfers as set out in clauses 11 and 13 of the Shareholders Agreement shall apply to the Company.

## **7. PRE-EMPTION RIGHTS**

- 7.1 Any person proposing to transfer any Shares shall first give notice in writing to the company identifying the Shares he wishes to transfer. The Transfer Notice shall constitute the company as the agent of the Proposing Transferor for the sale of the Sale Shares comprised in the Transfer Notice and the company may authorise a director to execute a transfer of such sale shares on behalf of the Proposing Transferor. A Transfer Notice may contain a provision that, unless all the Sale Shares are sold, the Proposing Transferor is not obliged to sell part of the Sale Shares and any such provision shall be binding on the company. Subject to Article 7.3, a Transfer Notice shall not be revocable except with the sanction of the Board.

- 7.2 The Sale Price for each Sale Share shall be Market Value.
- 7.3 The Proposing Transferor shall be entitled to withdraw the Transfer Notice by giving written notice to the company within 10 business days following receipt of the Expert's determination of the Market Value.
- 7.4 Within 15 days of the Sale Price being agreed or determined in accordance with Article 7.2, provided the Transfer Notice has not been withdrawn in accordance with Article 7.3, the Sale Shares shall be offered as follows:

Sale Shares	First Allocation	Second Allocation
A Shares	The company	A Shareholders (other than the Proposing Transferor and his Connected Persons or to any Shareholder and his Connected Persons whose Shares are subject to a Transfer Notice) in proportion to their existing shareholding.
B Shares	The company	Shareholders (other than the Proposing Transferor and his Connection Persons or to any Shareholder and his Connected Persons whose Shares are subject to a Transfer Notice) in proportion to their existing shareholding.
C Shares	The company	Shareholders (other than the Proposing Transferor and his Connection Persons or to any Shareholder and his Connected Persons whose Shares are subject to a Transfer Notice) in proportion to their existing shareholding.

- 7.5 The Offer Notice shall be in writing and shall state the number of Sale Shares, the Sale Price and shall limit the time in which the offer may be accepted, being not less than 21 days or more than 56 days after the date of the Offer Notice ("**Offer Period**"). If following the first allocation (set out in the second column of the table at Article 7.4) any Sale Shares remain unallocated, the unallocated Sale Shares shall be offered to the Shareholders (other than the Proposing Transferor) pursuant to the second allocation as set out in the third column of the table at Article 7.4. The Offer Notice pursuant to the second allocation shall further invite



each A Shareholder, B Shareholder or C Shareholder (as the case may be) to state in his reply the number of additional Sale Shares (if any) in excess of his proportion which he desires to purchase and if all the Shareholders do not accept the offer in respect of their respective proportions in full, the Sale Shares not so accepted shall be used to satisfy the claims for additional Sale Shares as nearly as may be in proportion to the number of Shares already held by the Shareholder at the date of the relevant Transfer Notice provided that no Shareholder shall be obliged to take more Sale Shares than he has applied for. For the purposes of these Articles an offer shall be deemed to be accepted on the day on which the acceptance is received by the company. A separate Offer Notice shall be issued by the company in respect of the first allocation and the second allocation (in each case on the basis set out in this Article 7.5). The provisions of Article 7.6 shall apply in respect of any offer made to the company.

- 7.6 Subject to the provisions of the 2006 Act, the company may exercise its power to purchase such number of the Sale Shares as it may determine or, if the Transfer Notice contains a Total Transfer Condition, all of the Sale Shares. If the company agrees to purchase all or some of the Sale Shares within the appropriate periods set out in Article 7.5, the company shall, no fewer than 14 days after the expiry of such notice period, give notice in writing to the Proposing Transferor and the Proposing Transferor shall be bound upon payment of the Sale Price of all the Sale Shares or some of the Sale Shares (as the case may be) to transfer the Sale Shares to the company.
- 7.7 If any Sale Shares shall not be capable (without fractions) of being offered to the Shareholders in proportion to their existing holdings, the same shall be offered to the Shareholders, or such of them, in such proportions and in such manner as may be determined by the Board.
- 7.8 If Purchasing Shareholders shall be found for all of the Sale Shares within the Offer Period, the company shall not later than 14 days after the expiry of such period give notice in writing to the Proposing Transferor and the Purchasing Shareholders (identifying the Purchasing Shareholders and the Sale Shares allocated to each of them) and the Proposing Transferor shall be bound upon payment by a Purchasing Shareholder of the Sale Price to transfer the relevant Sale Shares to such Purchasing Shareholder.
- 7.9 If the company declines or is not able to exercise its power to purchase any or all of the Sale Shares and Purchasing Shareholders shall not be found for all of the Sale Shares within 20 days of the expiry of the Offer Period, the company shall, where the Transfer Notice contained a Total Transfer Condition, serve upon the Proposing Transferor a Non-Allocation Notice specifying all the Sale Shares or, where the Transfer Notice contained no Total Transfer Condition, serve upon the Proposing Transferor a Sale Notice in respect of those Sale Shares allocated and a Non-Allocation Notice specifying the number of Sale Share remaining unallocated.
- 7.10 During the period of six months following the expiry of the period in Article 7.8, if any Sale Shares remain unallocated, the Proposing Transferor may transfer any non-allocated Sale Shares to any persons provided that:
- 7.10.1 75% of the Shareholders (other than the Proposing Transferor) have agreed in writing;

- 7.10.2 the price for such Sale Shares is not less than the price at which the Sale Shares were offered to the company and/or the Shareholders (as the case may be); and
  - 7.10.3 if the Transfer Notice included a Total Transfer Condition, the Proposing Transferor shall not be at liberty to sell part only of the Sale Shares pursuant to this Article 7.10 (unless all the other Shareholders agree otherwise in writing).
- 7.11 If in any case the Proposing Transferor, within 14 days of having become bound to do so, fails to transfer any Sale Shares in accordance with this Article, the company may receive the purchase money on his behalf, and may authorise a director to execute a transfer of such Sale Shares as attorney of the Proposing Transferor in favour of the Purchasing Shareholders or the company as the case may be. Payment of the purchase money by the company into a separate appropriate designated bank account shall be a good discharge to the company or the Purchasing Shareholders.
- 8. DEEMED TRANSFER NOTICE**
- 8.1 If any C Shareholder shall become a Leaver, a transfer Notice shall be deemed to have been served in accordance with Article 7.1 in respect of the C Shares held by him on the date of such cessation.
  - 8.2 If any Shareholder or, in the case of joint holders, if the survivor of such joint holder, shall die a Transfer Notice shall be deemed to have been served in accordance with Article 7.1, upon the date that the company receives notice of the death of such Shareholder.
  - 8.3 If any Shareholder shall become bankrupt or, being a company, shall pass a resolution to wind itself up or having a winding up order issued or make any arrangement or composition with his creditor or, being an individual, become of unsound mind or, if while he is a patient within the meaning of the Mental Health Act 1983, an order shall be made in respect of his property under Section 95 or 96 of that Act, a Transfer Notice shall be deemed to have been served in accordance with Article 7.1 on the date of the happening of any such event. Subject to the provisions of this Article 8.3, Regulations 27 A shall apply as regards the transmission of Shares on the bankruptcy of a Shareholder.
  - 8.4 The provisions of Article 7 shall apply to any Transfer Notice deemed to be given pursuant to Articles 8.1 to 8.3 (inclusive) provided that for these purposes:
    - 8.4.1 the Sale Shares shall comprise all the Shares registered in the name of the relevant Shareholder;
    - 8.4.2 no Proposed Transferee shall be specified in the Transfer Notice;
    - 8.4.3 the Sale Price for the Sale Shares held by a Leaver shall:
      - 8.4.3.1 where the Leaver is a Good Leaver, be the Market Value;  
and
      - 8.4.3.2 where the Leave is a Bad Leaver, be the par value per Sale Share; and
    - 8.4.4 the Sale Price for the Sale Shares held by a Shareholder who shall become bankrupt or, being a company, shall pass a resolution to wind itself up or have a winding up

order issued or make any arrangement or composition with his creditors be the par value per Sale Share;

8.4.5 there shall be no Total Transfer Condition.

- 8.5 if any Shareholder should attempt to transfer, charge or otherwise dispose of the legal or beneficial interest in any Shares in breach of these Articles, a Transfer Notice shall be deemed to be served in accordance with Article 7.1 upon the date that the company receives notices of any such attempted transfer, charge or other disposal and the Sale Price for such Shares shall be the par value per Share unless a majority in number of the Shareholders holding a majority in aggregate a majority of the Shares (other than the Shareholder who is in breach of this Article 8.5) agree otherwise.
- 8.6 Unless agreed in writing by the Shareholders other than the Proposing Transferor, all Shares subject to a deemed Transfer Notice shall carry no right to receive notice of and to attend and speak at general meetings of the company, vote or receive any dividends unless such Shares have been transferred to the Shareholders (other than the Proposing Transferor) pursuant to this Article 8.
9. **DRAG ALONG**
- 9.1 Subject to Article 9.3 but notwithstanding the provisions relating to the transfer of Shares in these Articles, no transfer of Shares which would result, if made and registered, in a person obtaining or increasing a Controlling Interest, shall be made or registered unless an Approved Offer is made.
- 9.2 Any transfer of Shares in the company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.
- 9.3 Any transfer of Shares which is a Permitted Transfer and which results in a person obtaining or increasing a Controlling Interest shall not require an Approved Offer.
- 9.4 If at any time an Approved Offer is made which is accepted by the holders of 51% or more of the Shares, the holders of Shares who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the Shares held by them and to sell all of the Shares held by them in accordance with such Approved Offer.
- 9.5 If any person (a "**Compulsory Transferor**") fails to transfer any Shares in accordance with Article 9.4 within 28 days of the Approved Offer having been made the directors may authorise any person to execute and deliver the necessary stock transfer form as attorney of the Compulsory Transferor and cause the purchaser to be registered as the holder of such Shares (subject to payment of any stamp duty). The receipt of the company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such Shares to the company whereupon he shall be entitled to receive the purchase price without interest.
- 9.6 Upon any person, following an Approved Offer being accepted by 51% or more of the holders of Shares, becoming a Shareholder of the company pursuant to the exercise of a pre-existing option to acquire Shares in the company or otherwise (a "**New Shareholder**"), a notice shall be deemed to have been served upon the New Shareholder (on the same terms)

requiring him to accept an Approved Offer whereupon he shall be bound to sell the Shares acquired by him to the company or person making the Approved Offer, or as that company or person may direct, and the provisions of this Article shall apply mutatis mutandis to the New Shareholder save that completion of the sale of such Shares shall take place forthwith upon the notice of requiring him to comply with the Approved Offer being deemed served on a New Shareholder.

## **10. TRANSMISSION OF SHARES**

Subject to Article 12.3, transmitters 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.

## **11. GENERAL MEETINGS AND RESOLUTIONS**

11.1 No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum, unless the company has only one member in which case the one-member present in person or by proxy shall be quorum.

11.2 Regulation 41(1) shall apply subject to the addition of the following sentence:

"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved"

11.3 In addition to the requirements of Regulation 15, the directors shall also insert in the minute book of the company:

11.3.1 a memorandum of all decisions taken by a sole member when the company has only one member which have been proposed by the company in a general meeting and which have been passed at a general meeting; and

11.3.2 all written resolutions passed by the company

11.4 A proxy notice may be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting or at least 48 hours before the time appointed for the holding of such meeting or adjourned meeting to any director or to the secretary at the place appointed for the holding of such meeting or adjourned meeting at which the person named in the proxy notice proposes to vote.

11.5 An instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Regulation 45 shall be modified accordingly.

## **12. APPOINTMENT OF DIRECTORS**

12.1 The maximum number and minimum number of directors may be determined from time to time by ordinary resolution of the company. Subject to and in default of any such determination, there shall be no maximum number of directors and the minimum number of

directors shall be one.

- 12.2 A sole director may exercise all the powers of the directors and Regulation 11(3) shall be modified accordingly.

- 12.3 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

**13. BORROWING POWERS**

The Board may exercise all of the powers of the company to borrow money of unlimited amount and upon such terms and in such manner as they think fit and subject to section 561 of the 2006 Act, to grant any mortgage, charge or security over its property, undertaking and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities as securities whether outright for any debt, liability or obligations of the company or of a third party.

**14. ALTERNATE DIRECTORS**

- 14.1 Any director ("appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

14.1.1 exercise that director's powers;

14.1.2 carry out that director's responsibilities; and

14.1.3 in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

- 14.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

- 14.3 The notice must:

14.3.1 identify the proposed alternate;

14.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**15. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 15.1 An alternate director may act as an alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

- 15.2 Except as the Articles specify otherwise, alternate directors:

15.2.1 are deemed for all purposes to be directors;

- 15.2.2 are liable for their own acts and omissions;
- 15.2.3 are subject to the same restrictions as their appointors; and
- 15.2.4 are not deemed to be agents of or for their appointors.
- 15.3 A person who is an alternate director but not a director:
  - 15.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating):
  - 15.3.2 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); and
  - 15.3.3 shall not be counted as more than one director for the purposes of articles 15.3.1 and 15.3.2.
- 15.4 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 purpose of determining where a quorum is present.
- 15.4 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.
- 16. **TERMINATION OF ALTERNATE DIRECTORSHIP**
  - 16.1 An alternate director's appointment as alternate terminates:
    - 16.1.1 when the alternate's appointer revokes the appointment by notice to the company in writing specifying when it is to terminate;
    - 16.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointers, would result in the termination of the appointor's appointment as a director; or
    - 16.1.3 when the alternate's appointors appointment as a director terminates.
- 17. **DISQUALIFICATION OF DIRECTORS**

In addition to the provisions of Regulation 18, the office of a director will be vacated if (in the opinion of the Board) a director becomes incapable of managing or administering his affairs and the Board resolves his office be vacated. Regulation 18 shall be modified accordingly.
- 18. **PROCEEDINGS OF DIRECTORS**

- 18.1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but save as set out in Article 18.2 it must never be less than two, and unless otherwise fixed it is two.
- 18.2 For so long as the company has a sole director the quorum for the transaction of the business of the directors shall be one. Regulation 11(2) shall be modified accordingly.
- 18.3 For the purpose of any meeting (or part of a meeting) held to authorise a director's conflict of interest, if there is only one director in office besides the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 18.4 Provided that (so far as applicable) he has complied with the provisions of sections 177(5) and 177(6) and sections 182(5) and 182(6) of the 2006 Act and has declared the nature and extent of his interest, a director who is any way, whether directly or indirectly, interested in any proposed or existing transaction or arrangement with the company:
- 18.4.1 may be a party to, or, whether directly or indirectly, interested in any proposed or existing transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 18.4.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such proposed or existing transaction or arrangement in which he is interested;
- 18.4.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such proposed or existing transaction or arrangement in which he is interested;
- 18.4.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 18.4.5 may be a director or other officer of, or employed by, or a party to a proposed or existing transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 18.4.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 18.5 Any director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or other means of telephone radio or televisual communication whereby all persons participating in the meeting can hear each other and any director or member of a committee participating in such a meeting will be deemed to be present in person at such meeting and shall be entitled to

vote or be counted in quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is, and the word 'meeting' shall be construed accordingly.

**19. CONFLICT OF INTEREST**

- 19.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest ("**Conflict**").

Any authorisation under this Article 19.1 will be effective only if:

19.1.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors for consideration at a meeting under the provision of these Articles or in such other manner as the Directors may determine;

19.1.2 any requirements as to the quorum for consideration of the relevant matter at the meeting of the directors at which the matter is considered is met without counting the Interested Director; and

19.1.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 19.2 Any authorisation of a Conflict under Article 19.1 may (whether at the time of giving the authorisation or subsequently):

19.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

19.2.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine;

19.2.3 be terminated or varied by the directors at any time. This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

- 19.3 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Interested Director:

19.3.1 be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

19.3.2 shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict; and

19.3.3 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent that they relate to such matters.



19.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

19.5 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict and otherwise than as a director of the company which is confidential to a third party, the director will not be obliged to:

19.5.1 disclose such information to the directors or to any director or other officers or employee of the company, or;

19.5.2 use or apply any such information in performing his duties as a director.

## 20. REMUNERATION OF DIRECTORS

The ordinary remuneration of the directors shall be such amount as the directors shall from time to time determine or such other amount as the company may from time to time by ordinary resolution determine, to be divided among them in such proportion and manner as the directors may determine or, failing agreement, equally. A director holding office for part only a year shall be entitled to a proportionate part of a full year's remuneration.

## 21. INDEMNITY

Subject to the 2006 Act, but without prejudice to any indemnity to which any person concerned may otherwise be entitled, the directors, alternate directors, secretary and other officers for the time being of the company shall be indemnified out of the assets of the company against any costs, charges, losses, expenses and liabilities incurred by them in the execution and/or discharge of their duties, including all liability incurred by them as such in defending any proceedings, whether civil or criminal, in which judgement is given in their favour, or in which they are acquitted or proceedings are otherwise disposed of without any finding or admission of which material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or trust in relation to the company's (or any associated company's) affairs or in connection with any application under the 2006 Act in which relief is granted to them by a court of competent jurisdiction.

## 22. INSURANCE

22.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss. For the purposes of this Article:

22.1.1 A "**relevant officer**" means any director or other officer or former director of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the 2006 Act)).

22.1.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

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