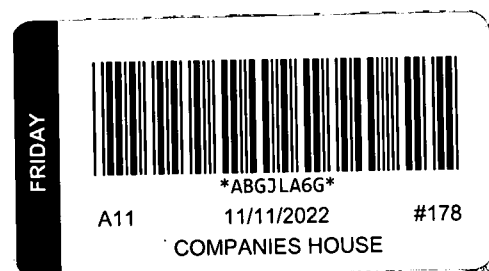


**THE PROFESSIONAL DARTS CORPORATION LIMITED**

**ARTICLES OF ASSOCIATION**

Adopted on 10 November 2022



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**THE COMPANIES ACTS 1985 to 1989**  
**(As amended by the Companies Act 2006)**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES  
OF ASSOCIATION**

**OF**

**THE PROFESSIONAL DARTS CORPORATION LIMITED**

**Registered Number: 3473679**

**Incorporated on: 28 November 1997**

**(as adopted by Special Resolution on 10 November 2022)**

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. DEFINED TERMS**

**1.1** In the articles, unless the context requires otherwise—

**"acting in concert"** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

**"articles"** means the company's articles of association;

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**"Board"** means the board of directors of the company from time to time;

**"Business Days"** means a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business;

**"chairman"** has the meaning given in article 12;

**"chairman of the meeting"** has the meaning given in article 50;

**"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;

**"compulsory transfer event"** has the meaning given in article 31.1;

**"Control"** has the meaning given by section 840 of the Income and Corporation Taxes Act 1988;

**"Controlling Interest"** means an interest in shares giving to the holder or holders Control of 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 40;

**"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;

**"Family Trust"** means a trust which permits the settled property or the income from it to be applied only for the benefit of:

(a) the settlor and/or a Privileged Relation of that settlor; and

- (b) any charity or charities as default beneficiaries (meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities),

and under which no power of control is capable of being exercised over the votes of any Shares which are held in the trust by any person other than the trustees, the settlor or the Privileged Relations of the settlor.

**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

**"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006;

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

**"instrument"** means a document in hard copy form;

**"ordinary resolution"** has the meaning given in section 282 of the Companies Act 2006;

**"paid"** means paid or credited as paid;

**"participate"**, in relation to a directors' meeting, has the meaning given in article 10;

**"person"** includes a legal or natural person, partnership, association, trust, company, corporation, joint venture, government, state or agency of the state or other body;

**"Privileged Relation"** means (in respect of a shareholder) the spouse or civil partner and the children and grandchildren (including step and adopted children) of that shareholder and step or adopted children of the children of that shareholder;

**"proxy notice"** has the meaning given in article 56;

**"Restrictions"** has the meaning given in article 29.5;

**"Sale Shares"** means the shares specified for sale in a Transfer Notice;

**"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;

**"Transfer Notice"** has the meaning given in article 32.2;

**"Transfer Price"** means the price per share payable for the relevant shares calculated in accordance with article 36;

**"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.

## 2. LIABILITY OF MEMBERS

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**

##### **3. DIRECTORS' GENERAL AUTHORITY**

- 3.1 Subject to the articles, the Board are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

##### **4. SHAREHOLDERS' RESERVE POWER**

- 4.1 The shareholders may, by special resolution, direct the Board to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the Board has done before the passing of the resolution.

##### **5. DIRECTORS MAY DELEGATE**

- 5.1 Subject to the articles, the Board 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.
- 5.2 If the Board so specify, any such delegation may authorise further delegation of the Board's powers by any person to whom they are delegated.
- 5.3 The Board may revoke any delegation in whole or part, or alter its terms and conditions.

##### **6. COMMITTEES**

- 6.1 Committees to which the Board 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.
- 6.2 The Board 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**

##### **7. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 7.1 The general rule about decision-making by directors is that any decision of the Board must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- 7.2 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.

## **8. UNANIMOUS DECISIONS**

- 8.1 A decision of the Board 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.
- 8.2 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.
- 8.3 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.
- 8.4 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.

## **9. CALLING A DIRECTORS' MEETING**

- 9.1 Any director may call a directors' meeting by giving notice of the meeting to the Board or by authorising the company secretary (if any) to give such notice.
- 9.2 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.
- 9.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.4 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.

## **10. PARTICIPATION IN DIRECTORS' MEETINGS**

- 10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
  - (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3 If all the Board 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.

## **11. 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.
- 11.2 The quorum for directors' meetings may be fixed from time to time by a decision of the Board, but it must never be less than two, and unless otherwise fixed it is two.
- 11.3 If the total number of directors for the time being is less than the quorum required, the Board 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.

## 12. CHAIRING OF DIRECTORS' MEETINGS

- 12.1 The Board may appoint a director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the chairman.
- 12.3 The Board may terminate the chairman's appointment at any time.
- 12.4 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.

## 13. 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.
- 13.2 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.

## 14. CONFLICTS OF INTEREST

- 14.1 If a proposed decision of the Board is concerned with an actual or proposed transaction or arrangement with the company in which a director (or a person connected with him) is interested, that director may be counted as participating in the decision-making process for quorum or voting purposes provided that he shall declare the nature and extent of any such interest at a meeting of the Board or in such other manner as the Board may resolve.
- 14.2 No declaration of an interest shall be required by a director in relation to an interest:
  - (a) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (b) if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Board, or by a committee of directors appointed for the purpose under these articles.
- 14.3 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 14.4 Subject to article 14.5, 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.
- 14.5 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 Board 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.
- 14.6 For the purposes of this article 14 an interest of a person who is "**connected with**" (as further defined in article 15) a director is to be treated as an interest of the director.

## 15. DIRECTORS' INTERESTS - GENERAL

- 15.1 For the purposes of article 14:
  - (a) a person is connected with a director if that person is connected for the purposes of section 252 of the Companies Act 2006; and
  - (b) an interest (whether of the director or of such a connected person) 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.



- 15.2 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may, and shall if so requested by the Board, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Board for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Board for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any meetings of the Board at which the relevant situation or matter falls to be considered; and
  - (b) not reviewing documents or information made available to the Board generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 15.3 The company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of any provisions of article 14.
16. **RECORDS OF DECISIONS TO BE KEPT**
- 16.1 The Board 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 Board.
17. **DIRECTORS' DISCRETION TO MAKE FURTHER RULES**
- 17.1 Subject to the articles, the Board may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **APPOINTMENT OF DIRECTORS**

### **18. METHODS OF APPOINTING DIRECTORS**

- 18.1 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.
- 18.2 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.
- 18.3 For the purposes of article 18.2, 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.

### **19. RETIREMENT AND RE-ELECTION OF DIRECTORS**

- 19.1 Subject to the provisions of these articles, two directors shall retire from office at the Annual General Meeting. The directors to retire shall be the directors who have been longest in office since their last election. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

### **20. TERMINATION OF DIRECTOR'S APPOINTMENT**

- 20.1 A person ceases to be a director as soon as:
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## **21. DIRECTORS' REMUNERATION**

- 21.1 Directors may undertake any services for the company that the Board decides.
- 21.2 Directors are entitled to such remuneration as the Board determines:
  - (a) for their services to the company as directors, and
  - (b) for any other service which they undertake for the company.
- 21.3 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.
- 21.4 Unless the Board decides otherwise, directors' remuneration accrues from day to day.
- 21.5 Unless the Board decides 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.

## **22. DIRECTORS' EXPENSES**

- 22.1 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.
  - (d)

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

## **23. SHARE CAPITAL**

The authorised share capital of the company at the date of the adoption of these articles is £1,000,000 divided into 100,000,000 Ordinary Shares of £0.01 each

## **24. ALL SHARES TO BE FULLY PAID UP**

- 24.1 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.

- 24.2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

**25. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 25.1 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.
- 25.2 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 Board may determine the terms, conditions and manner of redemption of any such shares.

**26. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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.

**27. SHARE CERTIFICATES**

- 27.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 27.2 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.
- 27.3 No certificate may be issued in respect of shares of more than one class.
- 27.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 27.5 Certificates must:
- (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts.

**28. REPLACEMENT SHARE CERTIFICATES**

- 28.1 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.
- 28.2 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 Board decide.

## 29. TRANSFER OF SHARES

- 29.1 In these articles, references to a transfer of a share include disposing of any interest in, or right attaching to, or renouncing or assigning any right to receive or subscribe for any share or creating or permitting to exist any charge, lien, encumbrance or trust over any share or agreeing to do any of those things.
- 29.2 No shareholder shall transfer or purport to transfer, and the Board shall not register the transfer of any share or any interest in any share unless (but subject always to article 37 (Prohibited Transfers)) the transfer:
- (a) is permitted by article 30; or
  - (b) is required by or made in accordance with article 31, article 32, article 33, article 34 or article 35 (as applicable).
- 29.3 The Board shall be required to register promptly any transfer of shares made in accordance with the provisions of articles 30, 31, 32, 33, 34 or 35.
- 29.4 In the event of an infringement of this article 29:
- (a) the purported transfer will be void and (except in the case of the company transferring treasury shares); and
  - (b) the shareholder will be deemed immediately after that breach to have given a Transfer Notice in respect of that share and must comply with the provisions of article 32 or article 33 (as the case may be) in respect of all the shares in which he is interested; this provision may be waived in whole or in part in any particular case by the Board by notice in writing to the relevant party; and
  - (c) the Board may determine that some or all of the shares of the relevant shareholder are subject to one or more Restrictions.
- 29.5 For the purpose of ensuring that a transfer of shares is permitted under these articles or that there has been no breach of these articles, the Board may, from time to time, by written notice require any shareholder or the legal personal representative of any deceased shareholder or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the Board may think fit regarding any matter which they may deem relevant to such purpose. If that information or evidence is not provided to the reasonable satisfaction of the Board within a period of 20 business days after the request, the Board may refuse to register the transfer and may declare the shares in question to be subject to one or more of the Restrictions. The "**Restrictions**" are that the holder of the shares in question will not be entitled to vote (whether on a show of hands or a poll or by written resolution or otherwise) or count to the quorum at a general meeting; or transfer the shares to any person except as required by these articles. The Restrictions will not affect the entitlement of the other holders of shares to vote and pass resolutions in accordance with the Companies Act and, if because of the Restrictions applying to a shareholder's shares there will not be sufficient shareholders to make a quorum at a general meeting, the quorum will be reduced by one. The Restrictions may be lifted by the Board at any time and will be automatically lifted on a transfer of such shares being registered by the Board in accordance with these articles.
- 29.6 Shares may be transferred by an instrument of transfer in any usual form or any other form approved by the Board, which is executed by or on behalf of the transferor.
- 29.7 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share. The company may keep any instrument of transfer which is registered. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 29.8 The Board must refuse to register any transfer of a share which is prohibited under these articles or the terms of a relevant agreement. The Board must not refuse to register any transfer of a share which is permitted or required under these articles or the terms of a relevant agreement

except that they may (in their absolute discretion) decline to register any transfer of any share which would otherwise be permitted if it is a transfer:

- (a) which is not accompanied by either: a certificate for the shares to which it relates; or an indemnity (in a form reasonably acceptable to the Board) in respect of that certificate which has been lost or destroyed; or
- (b) which is not stamped, unless it is exempt or duty is not otherwise payable.

29.9 Where the Board refuses to register the transfer of a share:

- (a) 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; and
- (b) the Board must comply with the requirements of the Companies Acts to give the transferee notice of the refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer is lodged with the company.

29.10 If a shareholder or any of his transmittes becomes aware of any event which gives rise to an obligation to transfer shares, to serve a transfer notice or a transfer notice being deemed to be given, he must promptly give written notice of that event to the Board. A deemed transfer notice will be deemed to be received by the Board on the date on which the Board become aware of the event which gives rise to the deemed transfer notice (whether under the previous sentence or otherwise).

29.11 An obligation to transfer a share under these articles is an obligation to transfer the entire legal and beneficial interest in that share free from any lien, charge or other encumbrance.

29.12 If any person (for the purpose of this article the **transferor**) gives or is deemed to give a transfer notice or is otherwise required to transfer shares under these articles and is unable, fails or refuses to transfer their shares as required by these articles, any person appointed by the directors for the purpose will be irrevocably authorised as agent with full power in the name of (and on behalf of) the transferor to execute and deliver the necessary transfers and any other documents necessary for that transferor to comply with the terms of these articles. That authority is given as security for performance of the transferor's obligations. The company may receive the purchase money for the shares in trust for the transferor pending delivery of his share certificates for cancellation and in the meantime (and notwithstanding article 29.8(a)) must register the transferee in accordance with these articles as the holder of those shares. The receipt of the company for the purchase money will be a good discharge to the buyer (who need not see to the application of it). On registration of a transfer in exercise of these powers, the validity of the proceedings may not be questioned by any person.

### 30. PERMITTED TRANSFER

30.1 Any shareholder (an "**original transferor**") may, with the consent of the Board, at any time (save where a Transfer Notice has been served or deemed served in respect of such shares pursuant to these articles) transfer any shares held by him to:

- (a) a Privileged Relation who is not a minor; or
- (b) trustees to be held on a Family Trust of which the original transferor is the settlor, without complying with the pre-emption procedures outlined in article 32 or 33 (as the case may be).

30.2 Where the consent of the Board is requested to a transfer to a Family Trust, that consent shall be given when the Board is satisfied:

- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
- (b) with the identity of the proposed trustees;
- and
- (c) that no costs incurred in connection with the setting up or administration of the Family Trust are to be paid by the company.

- 30.3 Where any shares are held by trustees of a Family Trust, the shares may be transferred to:
- (a) if there is a change of trustees, the new trustees of that Family Trust;
  - (b) the settlor;
  - (c) another Family Trust which has the same settlor; or
  - (d) any Privileged Relation of the settlor who is not a minor.

### 31. **COMPULSORY TRANSFER**

31.1 In this article 31 "**compulsory transfer event**" means:

- (a) in relation to a shareholder who is an individual (other than one who holds shares as trustee of a Family Trust):
  - (i) the shareholder being adjudicated bankrupt;
  - (ii) the shareholder dying unless the shareholder is a joint holder and any other holder survives;
  - (iii) by reason of that shareholder's incapacity, another person (by whatever name called) being appointed to exercise powers or rights with respect to his property or affairs;
  - (iv) a shareholder making any voluntary arrangement or composition with his creditors;
- (b) in relation to a shareholder who holds (or shareholders who hold) shares as trustee of a Family Trust:
  - (i) their ceasing to hold shares as trustee of the Family Trust other than by reason of a permitted transfer under article 30.3;
  - (ii) there ceasing to be any beneficiaries of that Family Trust other than a person who is no longer a Privileged Relation of the original transferor or a charity or charities; or
  - (iii) the settlor of the Family Trust being subject to any of the events set out in article 31.1(a); or
- (c) in relation to a shareholder who is a partnership, association, trust, company, corporation, joint venture, government, state or agency of the state or other body:
  - (i) there is a change of Control of that shareholder;
  - (ii) that shareholder makes any voluntary arrangement or composition with its creditors;
  - (iii) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that shareholder (other than for the sole purpose of a scheme for a solvent amalgamation or the solvent reconstruction of that shareholder);
  - (iv) an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed, over that shareholder;
  - (v) the holder of a qualifying floating charge over the assets of that shareholder has become entitled to appoint or has appointed an administrative receiver;
  - (vi) a person becomes entitled to appoint a receiver over all or any of the assets of that shareholder or a receiver is appointed over all or any of the assets of that shareholder;
  - (vii) any event occurs, or proceeding is taken, with respect to that shareholder in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in this article 31.1(c).

- 31.2 Where a compulsory transfer event occurs in relation to a shareholder, the shareholder in question will be deemed, immediately before that event, to have given a Transfer Notice or a Minority Transfer Notice (as the case may be) in respect of all the shares which the shareholder holds. If title to any share is deemed by operation of law to pass to any transferee, the transferee shall be bound by the aforesaid deemed Transfer Notice or Minority Transfer Notice. A transferee shall not have the right to attend or vote at a general meeting or to exercise any other rights attached to the relevant shares.
- 31.3 Unless the Board decides otherwise, if any shareholder is deemed to have given a transfer notice under this article, the shares held by that shareholder will be subject to certain Restrictions until they are transferred as required by these articles, when they will automatically be released from the Restrictions.
- 31.4 The provisions of this article 31 (Compulsory Transfer) may be waived in whole or in part in any particular case with the written consent of the Board.

## 32. RIGHT OF FIRST REFUSAL

- 32.1 Except where the provisions of articles 30, 33, 34 or 35 apply, if any shareholder (a "**Seller**") wishes to transfer, or is deemed to have served a transfer notice in respect of, such number of shares as is equal to or greater than 5 per cent. of the total number of shares in issue at such time, the pre-emption rights in this article shall apply to such transfer.
- 32.2 Where a Seller voluntarily wishes to transfer any shares, he shall, before transferring or agreeing to transfer any shares, give a notice in writing to the company (a "**Transfer Notice**") specifying:
- (a) the number of Sale Shares to be transferred;
  - (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee; and
  - (c) (if he has determined a price per share pursuant to article 36.4) the proposed Transfer Price.
- 32.3 In the case of a deemed transfer notice, references in this article 32 and in article 33:
- (a) to Seller and Minority Seller (as the case may be) will be to the person who is deemed to serve the Transfer Notice or Minority Transfer Notice; and
  - (b) to Sale Shares and Minority Shares (as the case may be) will be to the shares in respect of which the Transfer Notice or Minority Transfer Notice is deemed to be given.
- 32.4 Once given under these articles, a Transfer Notice may not, save with the consent in writing of the Board, be withdrawn.
- 32.5 The Transfer Price in respect of a Transfer Notice (including a deemed transfer notice) shall be determined in accordance with article 36 (Valuation).
- 32.6 A Transfer Notice (including a deemed transfer notice) will constitute the company (by its directors) as the agent of the proposing transferor with power to sell the transfer shares (together with all rights attached to them at the date of the transfer notice or deemed transfer notice or at any time afterwards) at the Transfer Price (as determined in accordance with article 36) on the terms of this article 32.
- 32.7 The company shall have the right to buy back any of the Sale Shares in accordance with (and subject to the limits set out in) the Companies Acts. The right to buy back any of the Sale Shares pursuant to this article 32.7 is subject to the approval of the Board and to the company having sufficient distributable reserves in accordance with the Companies Acts. For the purposes of this article 32.7, the company shall be deemed to have insufficient distributable reserves if,

following the proposed transfer, the remainder of the distributable reserves would be less than £1,000,000.

- 32.8 If the company does not purchase the Sale Shares in accordance with article 32.7 above within ten Business Days of receiving the Transfer Notice, the Sale Shares will be offered for purchase at the Transfer Price to any qualifying shareholders who at the date of the offer are registered as the respective holders of shares (the "**offerees**"). The Sale Shares will be offered to the offerees in the same proportions as the number of shares held by each of them bears to the number of shares held by all of them. For the purpose of this article, qualifying shareholder means any shareholder other than: (a) the Seller; (b) any shareholder to whom under article 38 shares may not be transferred; and (c) any shareholder who is deemed to have served a Transfer Notice or in relation to whom a compulsory transfer event has occurred. Each offer must be made in writing and specify: (a) the total number of Sale Shares; (b) the Transfer Price; (c) the number of Sale Shares offered to the offeree (his entitlement); and (d) a period (being not less than 10 business days and not more than 15 business days) within which the offer must be accepted or will lapse (the "**offer period**"). The notice must be accompanied by a form of application for use by the shareholder allowing him to apply for Sale Shares specifying: (i) the number of Sale Shares of his entitlement which he accepts; and (ii) any Sale Shares in excess of his entitlement, which he accepts, should excess shares be available and allotted to him.
- 32.9 The offer will only be treated as having been accepted by a shareholder if the company receives a duly completed and executed form of application from that shareholder applying for Sale Shares by the end of the offer period. Each acceptance will be irrevocable and give rise to a binding agreement between the shareholder giving it (for the purpose of this article 32.9, a "**buyer**") and the Seller, for the buyer to buy and the Seller to sell the number of Sale Shares allocated to each buyer and at the time and place notified to that buyer and the Seller in accordance with article 32.11.
- 32.10 If no acceptances were received by the end of the offer period, the directors must promptly notify that fact to the Seller in writing and none of the Sale Shares will be sold to the offerees under this article 32.
- 32.11 If, by the end of the offer period, the company receives acceptances in respect of: (i) all the Sale Shares; or (ii) some only of the Sale Shares, the Board must promptly allocate the Sale Shares for which applications were received as follows:
- (a) to each offeree who has agreed to purchase shares, his entitlement or the lesser number of Sale Shares for which he may have applied;
  - (b) if any offeree has applied for less than his entitlement, the excess must be allocated to any other offerees who have applied for any part of the excess in proportion to the number of shares then held by them respectively (but without allocating to any offeree a greater number of Sale Shares than the maximum number applied for by him) and any remaining excess must be apportioned by applying this article 32.11(b) again; and
  - (c) if any of the Sale Shares are not be capable of being offered or allocated without involving fractions, they must be consolidated and allocated in any manner thought appropriate by the Board.
- 32.12 Following allocation under article 32.11 the directors will promptly give notice in writing to the Seller and to the offerees who have agreed to buy them (for the purpose of this article 32.11, each a "**buyer**") (an "**Allocation Notice**"). The Allocation Notice must state: (a) the total number of Sale Shares agreed to be bought; (b) whether or not they constitute all the Sale Shares and if they do not, the number not agreed to be purchased; (c) the name and address of and number of Sale Shares agreed to be bought by each buyer; and (d) the place and time appointed by the Board for the completion of the purchase (being not less than five business days nor more than 28 business days after the date of that notice) (the "**Share Sale Date**"). Subject to that Allocation Notice being given, the purchase must be completed at the time and place appointed by the Board. The receipt of the Seller for the Transfer Price will be a good discharge to the buyer, the company and the directors, none of whom shall be bound to see to the application of the Transfer Price money.
- 32.13 On the service of an Allocation Notice, the Seller shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the company. On the Share Sale Date the



company shall pay the Seller, on behalf of each buyer, the amount payable by each buyer for the number of Sale Shares allocated to him (the "**Consideration**") to the extent that each buyer has put the company in the requisite funds. The company shall hold the Consideration on trust for the Seller without any obligation to pay interest.

- 32.14 If a Seller fails to deliver stock transfer forms for the Sale Shares to the company prior to the Share Sale Date, the Board may authorise any director to transfer the Sale Shares on the Seller's behalf to each buyer to the extent that the relevant buyer has, prior to the Share Sale Date, put the company in funds to pay the Consideration for the Sale Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid by the buyer. The defaulting Seller shall surrender his share certificate for the Sale Shares to the company. On surrender, he shall be entitled to the Consideration for the Sale Shares (less any costs incurred by the company in relation to the failure by such Seller to complete on the Share Sale Date).

- 32.15 If either:

- (a) notice is given: (i) under article 32.10 that no Sale Shares, or some only of the Sale Shares, have been accepted; or (ii) under article 32.12 that some only of the Sale Shares have been accepted; or
- (b) any Sale Shares have not been purchased by the relevant buyer(s) on the Share Sale Date due to a failure by such buyer(s) to put the company in requisite funds;

then the Seller may within a period of three months sell those Sale Shares which have not been accepted or sold to the third party named in article 32.2(b) at a price per share (the "**sale price**") which is at least equal to the Transfer Price.

- 32.16 The provisions of this article 32 (Right of First Refusal) may be waived in whole or in part in any particular case with the written consent of the holders of at least 75% of the issued share capital of the company from time to time. If the provisions of this article 32 are so waived, the Seller shall be entitled to transfer the Sale Shares to any third party at a price not less than the Transfer Price provided that such sale shall be completed within two months from the date such waiver is granted.

### 33. **TRANSFER OF MINORITY SHARES**

- 33.1 Except where the provisions of articles 30, 32, 34 or 35 apply, if any shareholder (the "**Minority Seller**") wishes to transfer, or is deemed to have served a transfer notice in respect of, such number of shares as is less than 5 per cent. of the number of shares in issue at such time (the "**Minority Shares**"), the provisions of this article 33 shall apply to such transfer.

- 33.2 A Minority Seller shall, before transferring or agreeing to transfer any shares, give a notice in writing to the company (a "**Minority Transfer Notice**") specifying:

- (a) the number of Minority Shares to be transferred; and
- (b) the Transfer Price.

- 33.3 Once given under this article 33, a Minority Transfer Notice may not, save with the consent in writing of the Board, be withdrawn.

- 33.4 A Minority Transfer Notice (including a deemed transfer notice) will constitute the company (by its directors) as the agent of the proposing transferor with power to sell the Minority Shares (together with all rights attached to them at the date of the transfer notice or deemed transfer notice or at any time afterwards) at the Transfer Price (as determined in accordance with article 36) on the terms of this article 33.

- 33.5 Within 15 Business Days following the date of receipt, or deemed receipt, of the Minority Transfer Notice, the Board may serve notice requiring the Minority Seller to transfer some or all of his Minority Shares to any person(s) approved by the Board (the "**Transferee(s)**"). For the avoidance of doubt, the Board may nominate the company as Transferee of all or any number of the Minority Shares, subject to the company having sufficient distributable reserves to buy

back such Minority Shares in accordance with (and subject to the limits set out in) the Companies Acts.

- 33.6 The notice under article 33.5 shall specify:
- (a) the names and addresses of the Transferee(s) and the number of Minority Shares to be offered to each; and
  - (b) a date, between five and 15 Business Days later, on which the sale and purchase of the Minority Shares is to be completed (the "**Minority Share Sale Date**").
- 33.7 Prior to the Minority Share Sale Date, the Minority Seller shall deliver stock transfer forms for the Minority Shares, with the relevant share certificates, to the company. On the Minority Share Sale Date the company shall pay the Minority Seller, on behalf of each Transferee, the amount payable by each Transferee for the number of Minority Shares allocated to him (the "**Minority Consideration**") to the extent that the relevant Transferee has put the company in the requisite funds. The company's receipt of the Minority Consideration shall be good discharge to the Transferee(s). The Company shall hold the Minority Consideration on trust for the Minority Seller without any obligation to pay interest.
- 33.8 If a Minority Seller fails to deliver stock transfer forms for the Minority Shares to the company prior to the Minority Share Sale Date, the Board may authorise any director to transfer the Minority Shares on the Minority Seller's behalf to each Transferee to the extent that the relevant Transferee has, prior to the Minority Share Sale Date, put the company in funds to pay the Minority Consideration offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Minority Seller shall surrender his share certificate for the Minority Shares to the company. On surrender, he shall be entitled to the Minority Consideration (less any costs incurred by the company in relation to the failure by such Seller to complete on the Minority Share Sale Date).
- 33.9 To the extent that any Transferee(s) have not, prior to the Minority Share Sale Date, put the company in funds to pay the Minority Consideration, the Minority Seller shall be entitled to the return of the stock transfer forms and share certificates for the relevant Minority Shares and article 33.10 shall apply.
- 33.10 If:
- (a) a notice is not served on the Minority Seller in accordance with article 33.5; or
  - (b) not all of the Minority Shares are transferred by the Minority Share Sale Date; or
  - (c) any Transferee(s) have not, prior to the Minority Share Sale Date, put the company in funds to pay the Minority Consideration,
- the Minority Seller shall be entitled to serve a notice under article 32 (Right of First Refusal) notwithstanding that the Minority Seller proposes to transfer less than 5 per cent. of the total shares in issue at such time. In such case, the provisions of article 32 (other than article 32.7) shall apply (*mutatis mutandis*) to the transfer of the Minority Shares or the balance of the Minority Shares (as the case may be) and references to the Seller shall be to the Minority Seller and references to the Sale Shares shall be to the Minority Shares.
- 33.11 The provisions of this article 33 (Transfer of Minority Shares) may be waived in whole or in part in any particular case with the written consent of the holders of at least 75% of the issued share capital of the company from time to time. If the provisions of this article 33 are so waived, the Minority Seller shall be entitled to transfer the Minority Shares to any third party at a price not less than the Transfer Price provided that such sale shall be completed within two months from the date such waiver is granted.

#### 34. TAG ALONG

- 34.1 The provisions of this article 34 shall apply if, in one or a series of related transactions, one or more shareholders propose to transfer such number of shares as would, if transferred, result in

any person ("**Buyer**"), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the company (the "**Proposed Transfer**").

- 34.2 Before making a Proposed Transfer, the relevant shareholder or shareholders (as the case may be) shall procure that the Buyer makes an offer (an "**Offer**") to the other shareholders to purchase all of the shares held by them (the "**Offer Shares**") for a consideration in cash per share that is at least equal to the highest price per Offer Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any previous offer or acquisition of shares in the company by the Buyer or any person acting in concert with the Buyer in the six months preceding the date of the Proposed Transfer (the "**Specified Price**") and otherwise on terms no more onerous than the terms offered to the original shareholder or shareholders.
- 34.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 25 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall be irrevocable and shall set out:
- (a) the identity of the Buyer;
  - (b) the purchase price and other terms and conditions of payment;
  - (c) the Sale Date; and
  - (d) the number of Offer Shares held by each shareholder.
- 34.4 Notwithstanding article 34.3, if any person (whether or not a shareholder) has, at the time of the Offer, rights granted by the company to acquire shares ("**Option Shares**") and who may exercise those rights during the period during which the Offer remains open for acceptance or on completion of the Offer, the Offer must also be extended to those persons and the Offer may provide for the sale and purchase of Offer Shares to be completed at a specified later time to ensure that rights to acquire the Option Shares become exercisable.
- 34.5 If the Buyer fails to make the Offer to all other shareholders in accordance with articles 34.2, 34.3 and 34.4, the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 34.6 If the Offer is accepted by any shareholder or holder of Option Shares (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 34.7 The Proposed Transfer shall be subject to the pre-emption provisions of article 32 but the purchase of Offer Shares from Accepting Shareholders in accordance with this article 34 shall not be subject to those provisions.

### 35. **DRAG ALONG**

- 35.1 If a shareholder or a group of shareholders acting in concert holding 75% or more of the shares in issue for the time being (the "**Selling Shareholder(s)**") wish to transfer all of their interest in the shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholder(s) may require all other shareholders ("**Called Shareholders**") to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (a "**Drag Along Option**").
- 35.2 The Selling Shareholder(s) may exercise the Drag Along Option by giving written notice to that effect (a "**Drag Along Notice**") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall:
- (a) be irrevocable;
  - (b) specify:
    - (i) that the Called Shareholders are required to transfer all their shares ("**Called Shares**") with full title guarantee pursuant to this article;
    - (ii) the person to whom the Called Shares are to be transferred;

- (iii) the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per share and in the same form as the Consideration per share offered by the Proposed Buyer for the Sellers' Shares provided that, if any portion of the Consideration is not cash, a cash alternative must be offered of at least equal value;
  - (iv) the proposed date of the transfer;
  - (v) specify what is required for the Called Shareholders to give effect to the transfer and attach copies of any other documents required to be executed by the Called Shareholders, such as a form of transfer, the form of any election to be made in relation to the form of consideration and any documents required to accept any non-cash consideration and give the date by which those documents must be returned to the company which may not be less than five Business Days after the date on which the Drag Along Notice is given.
- 35.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholder(s) have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholder(s) may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 35.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in article 35.2.
- 35.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **"Completion Date"** means the date proposed for completion of the sale of the Sellers' Shares in the Drag Along Notice unless:
  - (a) all of the Called Shareholders and the Selling Shareholder(s) agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholder(s); or
  - (b) that date is less than ten Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20 Business Days after service of the Drag Along Notice.
- 35.6 If, after a Drag Along Notice is given, any person (whether or not a shareholder) exercises rights to acquire shares granted by the company before the Completion Date, the Selling Shareholders (or after completion the Proposed Buyer) may give a Drag Along Notice to that person ("**Optionholder**") on the same terms as the Drag Along Notice given to the Called Shareholders, except that a later date than the original Completion Date may be given for completion of the transfer of the Called Shares.
- 35.7 Within 15 Business Days of the Selling Shareholder(s) serving a Drag Along Notice on the Called Shareholders or Optionholders, the Called Shareholders or the Optionholders (as the case may be) shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders or the Optionholders (as the case may be), on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 35.2 to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders or the Optionholders pursuant to article 35.2 on trust for the Called Shareholders or the Optionholders (as the case may be) without any obligation to pay interest.
- 35.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the consideration due pursuant to article 35.2, the Called Shareholders and/or the Optionholders shall be entitled to the return of the stock transfer forms and share certificates (or relevant indemnity) for the relevant Called Shares, the sale of the Seller's Shares to the Proposed Buyer shall not proceed and the Board shall decline to register any such transfer.
- 35.9 If any Called Shareholder or Optionholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder or Optionholder (as the case may be) shall be deemed to have irrevocably

appointed the company to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article.

- 35.10 Sales made in accordance with this article 35 shall not be subject to the pre-emption procedures outlined in article 32 (Right of First Refusal).

## 36 VALUATION

- 36.1 The Transfer Price for any transfer of shares under articles 31,32 and 33 shall be determined as follows :

$$\frac{(E \times 7)}{N}$$

N

Where :

E is the Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) calculated from the company statutory accounts for the last three accounting periods divided by the calendar period in years covered by such accounts. Where Group accounts are prepared, the EBITDA shall be calculated from the consolidated earnings of the company and its subsidiaries (after having made an appropriate adjustment for the share attributable to any minority interest in a subsidiary).

N is the number of shares in issue at the time of the company's latest statutory accounts

The Transfer Price will be rounded to the nearest whole pound sterling.

EBITDA (E) shall be calculated as follows, all figures taken from the company's audited statutory accounts :

$$(P + T + I + D + A)$$

Where

P is the Profit after tax for the Accounting Period

T is the Tax on Profit

I is the Net Interest Payable / Receivable by the Company (Interest Receivable minus Interest Payable). If Net Interest is positive as the Company has received more interest than it has paid, I is set to Zero

D is the Depreciation charge for the Year

A is the Amortisation Charge for the year

- 36.2 The Transfer Price shall be set at the date the auditors of the company complete and sign the company's statutory accounts and shall remain fixed until the completion and signing by the auditors of the company's statutory accounts for the following accounting period.
- 36.3 The company shall inform the shareholders in writing the Transfer Price as soon as reasonably possible but no later than five Business Days after the auditors complete and sign the company's statutory accounts each year.
- 36.4 If the Seller proposes to transfer Sale Shares equal to 10% or more of the shares in issue for the time being, he shall not be bound by the Transfer Price as determined by this article 36 and may negotiate with the Board an alternative Transfer Price for the Sale Shares.

**37. TRANSMITTEE'S RIGHTS**

- 37.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 37.2 A transmittee who produces such evidence of entitlement to shares as the Board may properly require: may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 37.3 But a transmittee does 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 he is entitled, by reason of the holder's death or bankruptcy or otherwise, unless the transmittee becomes the holder of those shares.
- 37.4 If a notice is given to a shareholder (or his representatives) in respect of shares and any transmittee is entitled to those shares, then the transmittee shall be bound by the notice if it was given to the shareholder (or their representatives) before transmittee was registered in the company's register of members as the holder of those shares.
- 37.5 A transmittee who wishes to become the holder of shares to which he has become entitled must notify the company in writing of that wish.
- 37.6 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 37.7 Any transfer made or executed under this article 37 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share (and provided, where it is applicable, article 31 (Compulsory Transfer) has been complied with) as if the event which gave rise to the transmission had not occurred.
- 37.8 For the avoidance of doubt, nothing in this article will prejudice the operation of any compulsory transfer provisions in these articles.

**38. PROHIBITED TRANSFERS**

- 38.1 Notwithstanding anything else contained in these articles, except with the prior written consent of 75% or more of the shareholders from time to time, no share may be issued or transferred to:
- (a) any infant, bankrupt or person suffering from mental disorder; or
  - (b) any person (or a nominee for a person) who is a competitor (or a person "connected" within the meaning of section 1122 of the Corporation Tax Act 2010 to a competitor) with the business of the company or a subsidiary of the company.
- 38.2 Notwithstanding anything contained in these articles, except with the prior written consent of 75% or more of the shareholders from time to time, on any proposed issue or transfer or acquisition of shares (whether such issue, transfer or acquisition is voluntary or required pursuant to these articles or a relevant agreement):
- (a) at the request of the company, the proposed acquirer of the shares, provided either: (i) he is an individual and a current or prospective employee or director of the company or any subsidiary of the company; or (ii) he is an associated person (as defined by section 421C of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA")) of any individual who is a current or prospective employee or director of the company or any subsidiary of the company, must, or must procure any individuals with whom he is so associated, enters into a joint election with the company or (as the case may be) any subsidiary of the company under section 431 of ITEPA and/or, to the extent legally permissible, under paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992, in each case, in the form which the company requires; and/or
  - (b) at the request of the company, the proposed acquirer and/or the proposed transferee of the shares must enter into such arrangements with the company (to the extent necessary as agent for one or more subsidiaries of the company) to ensure that, to the company's satisfaction and as permissible by law, the company will receive and retain

from the acquirer and/or the transferee (as the company requires) all such amounts as are or will become due from them on the issue or the transfer of the shares; and

- (c) if the transfer is likely to result in any liability for the company to account for any income tax and/or employee's national insurance contributions under the PAYE system and/or any liability for employer's national insurance contributions, the proposed transferee of the shares must notify the company of his intention to make the transfer at least five Business Days before making the transfer.
- 38.3 References to "issue" or "transfer" or "acquisition of shares" in article 38.2 include acquiring or disposing any interest in, or right attaching to, or renouncing or assigning any right to receive or subscribe for any share or creating or permitting to exist any charge, lien, encumbrance or trust over any share or agreeing to do any of those things.
- 38.4 If any person who wishes to make a voluntary acquisition of shares or a voluntary transfer of shares or to exercise any right to acquire or transfer shares refuses or fails to satisfy the requirements of article 38.2 within the time period required by the company, he may not make that acquisition or transfer and any attempt to acquire or transfer the shares which is or has been made in breach of article 38.2 will be of no effect.
- 38.5 If any person is required to make any acquisition of shares or is required to transfer shares and that person refuses or fails to satisfy the requirements of article 38.2 within the time period required by the company, to the extent legally permissible, any person appointed by the Board for the purpose will be irrevocably authorised as agent with full power in the name of (and on behalf of) that person to execute and deliver the documents necessary to make the elections referred to in article 38.2(a) and/or the arrangements referred to in article 38.2(b).

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **39. PROCEDURE FOR DECLARING DIVIDENDS**

- 39.1 The company may by ordinary resolution declare dividends, and the Board may decide to pay interim dividends.
- 39.2 A dividend must not be declared unless the Board have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Board.
- 39.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 39.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 39.5 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 arrears.
- 39.6 The Board 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.
- 39.7 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.

### **40. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 40.1 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 Board 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 Board 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 Board may otherwise decide; or
  - (d) any other means of payment as the Board agree with the distribution recipient either in writing or by such other means as the Board decide.
- 40.2 In the articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
  - (a) the holder of the share; or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.
- 41. **NO INTEREST ON DISTRIBUTIONS**
- 41.1 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.
- 42. **UNCLAIMED DISTRIBUTIONS**
- 42.1 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.
- 42.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 42.3 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.
- 43. **NON-CASH DISTRIBUTIONS**
- 43.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the Board, 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).



43.2 For the purposes of paying a non-cash distribution, the Board 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.

#### 44. WAIVER OF DISTRIBUTIONS

44.1 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,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons entitled to the share.

### CAPITALISATION OF PROFITS

#### 45. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

45.1 Subject to the articles, the Board 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.

45.2 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.

45.3 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.

45.4 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.

45.5 Subject to the articles the Board may:

- (a) apply capitalised sums in accordance with articles 45.3 and 45.4 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**

**46. NOTICE OF GENERAL MEETINGS**

- 46.1 Every Member is entitled to written notice of every meeting of the company, at such address as the Member may inform the Board of from time to time; provided that a notice given to a joint holder whose name stands first in the Register of Members in respect of a jointly held share shall be sufficient to notify those holding jointly with him. A notice shall be deemed to have been received:
- (a) where given, if delivered personally;
  - (b) on the next business day, if sent by facsimile, telex or email;
  - (c) after seven clear days, if properly addressed and sent to or from an address outside of the United Kingdom by pre-paid registered or recorded delivery post;
- 46.2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at any such meeting.

**47. LENGTH OF NOTICE**

- 47.1 An Annual General Meeting shall be called by at least fourteen clear days' notice. All General meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed:
- (a) in the case of an Annual General Meeting, by all of the Members entitled to attend and vote thereat; and
  - (b) in the case of any other Meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety-five per cent, in nominal value of the shares giving that right.
- 47.2 The notice shall specify the time and place of the Meeting and in the case of special business only the general nature of the special business to be transacted and, in the case of an Annual General Meeting, shall specify the Meeting as such.
- 47.3 All business shall be deemed special that is transacted at a General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Board and auditors, and the appointment of, and the fixing of the remuneration of the auditors of the company from time to time.
- 47.4 Subject to the provisions of these articles and to any restrictions imposed on any shares, all notices of and any other communications relating to any General Meetings of the company or of separate General Meetings of the holders of any class of share capital of the company shall be given to all members, to all transmittes, to all directors and to the auditors of the company for the time being.

**48. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 48.1 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.
- 48.2 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.
- 48.3 The Board may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 48.4 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.
- 48.5 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.
- 49. **QUORUM FOR GENERAL MEETINGS**

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.
- 50. **CHAIRING GENERAL MEETINGS**
  - 50.1 If the Board have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
  - 50.2 If the Board 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.
  - 50.3 The person chairing a meeting in accordance with this article is referred to as "**the chairman of the meeting**".
- 51. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**
  - 51.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
  - 51.2 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.
- 52. **ADJOURNMENT**
  - 52.1 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.
  - 52.2 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.
  - 52.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
  - 52.4 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 Board, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 52.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- 52.6 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**

### **53. VOTING: GENERAL**

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.

### **54. ERRORS AND DISPUTES**

- 54.1 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.
- 54.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **55. POLL VOTES**

- 55.1 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.
- 55.2 A poll may be demanded by
  - (a) the chairman of the meeting;
  - (b) any director;
  - (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.
- 55.3 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.
- 55.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **56. CONTENT OF PROXY NOTICES**

- 56.1 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 Board 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.
- 56.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 56.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 56.4 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.

## **57. DELIVERY OF PROXY NOTICES**

- 57.1 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.
- 57.2 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.
- 57.3 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.
- 57.4 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.

## **58. AMENDMENTS TO RESOLUTIONS**

- 58.1 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.
- 58.2 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.
- 58.3 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**

**59. MEANS OF COMMUNICATION TO BE USED**

- 59.1 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.
- 59.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 59.3 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.

**60. COMPANY SEALS**

- 60.1 Any common seal may only be used by the authority of the Board.
- 60.2 The Board may decide by what means and in what form any common seal is to be used.
- 60.3 Unless otherwise decided by the Board, 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.
- 60.4 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 Board for the purpose of signing documents to which the common seal is applied.

**61. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the Board 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.

**62. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The Board 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**

**63. INDEMNITY**

- 63.1 Subject to article 63.2, 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 of the Companies Act 2006),

- (c) any other liability incurred by that director as an officer of the company or an associated company.
- 63.2 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.
- 63.3 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.
- 64. **INSURANCE**
- 64.1 The Board 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.
- 64.2 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.