

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF

BOWMAN RILEY ARCHITECTS LIMITED (COMPANY)

(adopted by special resolution on 14 May 2021)

FRIDAY



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COMPANIES HOUSE

1 Definitions and Interpretation

1.1 In these articles, unless the context requires otherwise:

**Accountants** means the accountants for the time being of the Company.

**Act** means the Companies Act 2006 and any statutory modification or re-enactment of such act for the time being in force.

**acting in concert** has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed at the date of adoption of these articles.

**articles** means the articles of association set out in this document which, together with the Model Articles (as modified or excluded by this document) forming part of the articles, and "article" shall be construed accordingly.

**Bad Leaver** means any person who ceases to be a director or employee of the Company other than a Good Leaver.

**Board** means the board of directors of the Company or the directors present at a duly convened meeting of the board or a committee of the board.

**Business Day** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks are open for business in the City of London.

**Change of Control** means the acquisition (whether by purchase, transfer, renunciation or otherwise) by any person, of any interest in any Share if, upon completion of that acquisition that person (**Third Party Purchaser**), together with the persons acting in concert with him (or that expression as defined in the City Code on Takeover and Mergers) (as above) or otherwise connected with him (excluding any member of the Company at the date of Adoption of these articles), would hold or beneficially own more than 50% of the Shares.

**Clear Days** means (in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

**Conflict of Interest** has the meaning given to it in article 37.

**conflicted director** means a director who has, or could have, a conflict in a situation involving the company and consequently whose vote is not to be counted in any vote to authorise such conflict and who is not to be counted as participating in the quorum for the meeting (or part of the meeting) at which such matter is to be voted upon.

**connected with** has the meaning given in section 1122 of the Corporation Tax Act 2010.

**Connected Person** shall have the meaning given to it in Section 839 of the Income and Corporation Taxes Act 1988.

**eligible director** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter.

**Good Leaver** means a person who ceases to be a director or employee of the Company where the Board resolves at the time of the Termination Date that such person is to be a Good Leaver or where such cessation occurs as a result of:

- (a) death or disability in accordance with sub-articles 20.4, 20.5 and 20.6; or
- (b) dismissal without cause, meaning for the purposes of the articles the termination by the Company of the relevant individual's service contract in the absence of any material breach by the relevant individual of such service contract; or
- (c) retirement at or above the age of 55.

**holder** in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares or, in the case of a Share in respect of which a Share warrant has been issued (and not cancelled), the person in possession of that warrant.

**Issue Price** means the amount paid up or credited as paid up (including any premium on issue) on a Share or, in the case of a Member who has acquired a Share via an arm's length transfer in accordance with these articles, the amount paid by such Member for such Share.

**Listing** means either: (1) the admission by UKLA of all or any of the issued equity share capital of the Company to its Official List, and such admission becoming effective; or (2) the granting of permission by the London Stock Exchange for the introduction of all or any of the issued equity share capital of the Company to the Alternative Investment Market, and such permission becoming effective; or (3) any equivalent admission to, or permission to deal or trade on, any other Recognised Investment Exchange becoming unconditionally effective in relation to all or any of the issued equity share capital of the Company.

**Listing Shares** means the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new Shares

to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of Shares).

**Member** means a registered holder of Shares for the time being.

**Model Articles** means 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 these articles.

**Net Asset Value** means the aggregate value of all assets of the Company other than goodwill minus the aggregate value of all liabilities and provisions as at the relevant time and the nominal value of the issued "A" Ordinary Shares calculated in accordance with UK GAAP using the same accounting policies, methods and bases of accounting as used in the preparation of the latest available accounts of the Company provided that such policies, methods and bases of accounting are in accordance with UK GAAP.

**non-conflicted director** means any director who is not a conflicted director.

**Ordinary Shares** means the "A" Ordinary Shares of £0.50 each, the "B" Ordinary Shares of £0.50 each, the "C" Ordinary Shares of £0.50 each, the "D" Ordinary Shares of £0.50 each, the "E" Ordinary Shares of £0.50 each, the "F" Ordinary Shares of £0.50 each, the "G" Ordinary Shares of £0.50 each, the "H" Ordinary Shares of £0.50 each, the "I" Ordinary Shares of £0.50 each, the "J" Ordinary Shares of £0.50 each, the "K" Ordinary Shares of £0.50 each and the "L" Ordinary Shares of £0.50 each in the capital of the Company.

**partly-paid** in relation to a Share means that part of that Share's nominal value or any premium at which it was issued has not been paid to the Company.

**Realisation** means the proceeds realised upon a Listing or a Sale.

**Realisation Value** means the value of the issued Ordinary Shares of the Company (which shall include shares deriving therefrom since their date of issue, including Shares deriving therefrom following any capital reorganisation effected prior to the Realisation) calculated as follows and on the basis that the relevant Realisation has been effected in accordance with its terms:

- (1) in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank or, if none, the broker appointed by the Directors to advise in connection with the Listing;
- (2) in the event of a Sale:
  - a. if the Ordinary Shares of the Company are to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the Sale, the total amount of such cash sum;

- b. if a written offer has been made for a cash consideration or, if the Sale is pursuant to any other public cash offer or public offer accompanied by a cash alternative, the total cash consideration or cash alternative price for all the shares of the Company for which the offer is made;
- c. if the Sale is by private treaty or public offer and the consideration is the issue of securities (not accompanied by a cash alternative):
  - i. if the securities will rank pari passu with a class of securities already admitted to trading on a Recognised Investment Exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement setting out the terms of such sale or, (in the case of a Sale following a public offer or failing any such attribution in the sale agreement) by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the period of five business days ending three days prior to the day on which the Sale is completed; or
  - ii. the securities are not of such a class, the value of the relevant consideration as agreed by the Requisite Majority or, in the absence of such agreement prior to such sale, such value as is reported on by the Accountants, in a report obtained for the purpose and addressed to (and at the cost, pro-rata to their holdings immediately prior to the Sale, of) the holders of the Ordinary Shares.
- d. to the extent that the Sale includes an element of deferred consideration, its value shall be the present value of such deferred consideration determined by the Accountants, in a report obtained for the purpose and addressed to (and at the cost, pro-rata to their holdings immediately prior to the Sale, of) the holders of the Ordinary Shares; and
- e. if and to the extent that (a) to (d) above are not applicable, the value of the relevant consideration as agreed by the Requisite Majority or, in the absence of such agreement prior to the Realisation, such value as is reported on by the Accountants, in a report obtained for the purpose and addressed to (and at the cost pro-rata to their holdings immediately prior to the Realisation, of) the holders of the Ordinary Shares.

**Recognised Investment Exchange** has the meaning ascribed to it in Section 285 Financial Services and Markets Act 2000.

**Requisite Majority** means not less than three holders of the "A" Ordinary Shares holding not less than 70% of the issued "A" Ordinary Shares or, where there are three or fewer holders of Ordinary Shares the holders of not less than 70% of the issued "A" Ordinary Shares.

**Sale** means the making of one or more agreements (whether conditional or not) for an acquisition of any Share giving rise to a Change of Control and for the purposes of this definition “disposal” shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement.

**Sale Notice** has the meaning given to it in article 19.

**Shareholder Agreement** means any shareholder agreement in respect of the Company in force from time to time.

**Shares** means shares (of any class) in the capital of the Company and **Share** shall be construed accordingly.

**Surplus Assets** means the surplus assets of the Company remaining after payment of its liabilities (including, for the avoidance of doubt, any debts arising from non-payment of dividends).

**Termination Date** means:

- (a) where a contract of employment or directorship is terminated by the giving of notice to the employee or director of the termination of the employment or directorship, the date of that notice (whether or not a payment is made in lieu of all or part of the notice period required to be given in respect of such termination);
- (b) where a contract of employment or directorship is terminated by the giving of notice by the employee or director of the termination of the employment or directorship, the date of that notice;
- (c) where one party wrongfully repudiates the contract of employment or directorship and the other accepts that the contract has been terminated, the date of such acceptance; and
- (d) where a contract of employment or directorship is terminated under the doctrine of frustration, the date of the frustrating event.

**Third Party Purchaser** has the meaning given in the definition of Change of Control and, where the relevant acquisition was effected by the renunciation of a renounceable letter of allotment, includes the relevant renounce.

**UK GAAP** means the requirements of the Companies Act and accounting standards, policies, principles and practices generally accepted in the UK from time to time and applicable to the Company.

**UKLA** means the United Kingdom Listing Authority or any other competent authority for the time being for the purposes of Part VI of the Financial Services and Markets Act 2000.

**United Kingdom** means Great Britain and Northern Ireland.

**Valuers** means the Accountants unless the Accountants give notice to the Company that they decline an instruction to report on Market Value when the Valuers shall be a firm of chartered accountants agreed between the Seller Member (as defined in article 19) and the Board or, in default of agreement within ten business days of the first name being proposed by either of them, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Seller Member or the Board.

- 1.2 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles.
- 1.3 Save as otherwise provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these articles. Words and expressions defined elsewhere in these articles shall bear the meanings given to them there.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.4.1 any subordinate legislation from time to time made under it; and
  - 1.4.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 In these articles, words importing a gender include every gender, references to the singular include the plural and references to persons include bodies corporate, unincorporated associations and partnerships.
- 1.7 The headings in these articles shall not affect their construction.
- 1.8 If any date referred to in these articles is not a Business Day, it shall be taken to be a reference to the next Business Day after that date.
- 1.9 If there is any conflict between the provisions of these articles and the Shareholder Agreement, they shall prevail in the following order, to the extent of such conflict only:
  - 1.9.1 Shareholder Agreement; and
  - 1.9.2 these articles.
- 1.10 Articles 7, 8, 11(2) and (3), 13(2), 14(1) to (4) inclusive, 17(2), 19(5), 21, 26(5), 44(4), 45(1), 46(3), 52 and 53 of the Model Articles shall not apply to the Company.

## **2 Further issues of Shares: authority**

2.1 The following paragraphs of this article shall not apply to a private company with only one class of shares.

2.2 Subject to the preceding paragraph and save to the extent authorised by these articles, or authorised from time to time by an ordinary resolution of the Members, the directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the Company.

2.3 Subject to the remaining provisions of this article and to the article 3 (Further issues of Shares: Pre-emption rights) and to any directions which may be given by the company in general meeting, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act to exercise any power of the company to:

2.3.1 offer or allot;

2.3.2 grant rights to subscribe for or to convert any security into;

2.3.3 otherwise create, deal in, or dispose of, any Shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.

2.4 The authority referred to in this article:

2.4.1 shall be limited to a maximum nominal amount of £100,000 for "A" Ordinary Shares, £100,000 for "B" Ordinary Shares, £100,000 for "C" Ordinary Shares, £100,000 for "D" Ordinary Shares, £100,000 for "E" Ordinary Shares, £100,000 for "F" Ordinary Shares, £100,000 for "G" Ordinary Shares, £100,000 for "H" Ordinary Shares, £100,000 for "I" Ordinary Shares, £100,000 for "J" Ordinary Shares, £100,000 for "K" Ordinary Shares and £100,000 for "L" Ordinary Shares;

2.4.2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and

2.4.3 may only be exercised for a period of five years commencing on the date on which the Company is incorporated or these articles are adopted whichever is the later, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

## **3 Further issues of Shares: Pre-emption rights**

3.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

- 3.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all Members on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the minimal value of the Shares held by those Members (as nearly as possible without involving fractions). The offer:
- 3.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
  - 3.2.2 may stipulate that any Member who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 3.3 Any equity securities not accepted by Members pursuant to the offer made to them in accordance with article 3.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 3.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Members in accordance with article 3.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Member beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the Members.
- 3.4 Subject to articles 3.2 and 3.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

#### **4 Shares and Distributions**

- 4.1 The share capital of the Company shall be divided into "A" Ordinary Shares of £0.50 each, "B" Ordinary Shares of £0.50 each, "C" Ordinary Shares of £0.50 each, "D" Ordinary Shares of £0.50 each, "E" Ordinary Shares of £0.50 each, "F" Ordinary Shares of £0.50 each, "G" Ordinary shares of £0.50 each, "H" Ordinary Shares of £0.50 each, "I" Ordinary Shares of £0.50 each, "J" Ordinary Shares of £0.50 each, "K" Ordinary Shares of £0.50 each and "L" Ordinary Shares of £0.50 each and all classes of shares shall rank pari passu except:

##### **4.1.1 Dividends**

- (a) The profits of the Company which are available for lawful distribution shall be applied and paid to the holders of the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary shares, "G" Ordinary Shares, "H" Ordinary shares, "I" Ordinary shares, "J" Ordinary

Shares, "K" Ordinary Shares and "L" Ordinary Shares pro rata according to their holdings of such Shares unless the directors in their absolute discretion resolve to pay a dividend on one class or classes but not others or resolve to pay dividends at different rates in different classes.

(b) No dividends shall be payable to the holders of the "A" Ordinary Shares.

#### **4.1.2 Capital**

On a return of capital whether on liquidation or capital reduction or otherwise (other than a redemption or purchase of shares made in accordance with these articles) the surplus assets of the Company remaining after the payment of its liabilities shall be applied as if they were the proceeds of a Sale under article 4.1.

#### **4.1.3 On a Sale or Listing**

4.1.3.1 On a Sale and subject to article 4.1.3.3 below the following provisions of article 4.1.3.2 shall apply to determine the allocation of the proceeds of such Sale;

4.1.3.2 Unless otherwise agreed by all of the Members the proceeds of Sale shall as between the Members be allocated and paid to them as follows:

4.1.3.2.1 first, in paying to each Member an amount equal to the nominal value of the "A" Ordinary Shares held by him;

4.1.3.2.2 second, in paying to the holders of the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares, "J" Ordinary Shares, "K" Ordinary Shares and the "L" Ordinary Shares *pari passu* an amount up to but not exceeding the Net Asset Value if and to the extent that the Net Asset Value exceeds the aggregate nominal value of the Company's issued share capital;

4.1.3.2.3 thereafter in paying any surplus of the Realisation Value to the holders of the "A" Ordinary Shares *pari passu*.

4.1.3.3 The provisions of article 4.1.3.2 shall not apply on or after a Listing.

4.1.3.4 Immediately prior to and conditionally upon a Listing the Members shall enter into such reorganisation of the share capital of the Company as they may agree to ensure that the Realisation Value is allocated between the Members in the same proportions as the preceding provisions of article 4.1.3.2 would provide on a Sale at that Realisation Value.

#### 4.1.4 Voting Rights

4.1.4.1 On a show of hands every holder of "A" Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a Member entitled to vote shall have one vote and on a poll every holder of "A" Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every "A" Ordinary Share of which he is a holder.

4.1.4.2 The "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares, "J" Ordinary Shares, "K" Ordinary Shares and the "L" Ordinary Shares shall carry no voting rights.

Whenever the capital of the company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the company is a going concern or during or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with the following article;

4.1.4.3 The consent of the holders of a class of Shares may be given by:

4.1.4.3.1 a special resolution passed at a separate general meeting of the holders of the issued Shares of that class; or

4.1.4.3.2 a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued Shares of that class, but not otherwise.

4.1.4.4 To every such meeting, all the provisions of these articles and the Act relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of Shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued Shares of the relevant class; so that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him; and so that any holder of Shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum.

## **5 Company's Lien over Shares**

- 5.1 The Company has a lien (the **Company's Lien**) over every Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future and whether or not a call notice has been sent in respect of it.
- 5.2 The Company's Lien over a Share:
- 5.2.1 takes priority over any third party's interest in that Share; and
  - 5.2.2 extends to any dividend or other money payable by the company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 5.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## **6 Enforcement of the Company's Lien**

- 6.1 Subject to the provisions of this article, if:
- 6.1.1 a lien enforcement notice has been given in respect of a Share, and
  - 6.1.2 the person to whom the notice was given has failed to comply with it, the Company may sell that Share.
- 6.2 A lien enforcement notice:
- 6.2.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - 6.2.2 must specify the Share concerned;
  - 6.2.3 must be in writing and require payment of the sum payable within fourteen days of the notice;
  - 6.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
  - 6.2.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 6.3 Where Shares are sold under this article:
- 6.3.1 the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and

- 6.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 6.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 6.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
- 6.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien for any money payable (whether payable immediately or at some time in the future) as existed over the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.
- 6.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as the case may be) and that a Share has been sold to satisfy the Company's Lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 7 Call notices**
- 7.1 Subject to the articles and the terms on which Shares are allotted, the directors may send a notice (a **call notice**) to a Member requiring the Member to pay the Company a specified sum of money (a **call**) which is payable by that Member to the Company at the date when the directors decide to send the call notice.
- 7.2 A call notice:
- 7.2.1 must be in writing;
- 7.2.2 may not require a Member to pay a call which exceeds the total amount of his indebtedness or liability to the Company;
- 7.2.3 must state when and how any call to which it relates it is to be paid; and
- 7.2.4 may permit or require the call to be paid by instalments.
- 7.3 A Member must comply with the requirements of a call notice, but no Member is obliged to pay any call before fourteen days have passed since the notice was sent.
- 7.4 Before the Company has received any call due under a call notice the directors may:

7.4.1 revoke It wholly or in part; or

7.4.2 specify a later time for payment than is specified in the notice, by a further notice in writing to the Member in respect of whose Shares the call is made.

## **8 Liability to pay calls**

8.1 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

8.2 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.

8.3 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:

8.3.1 to pay calls which are not the same; or

8.3.2 to pay calls at different times.

## **9 When a call notice need not be issued**

9.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:

9.1.1 on allotment;

9.1.2 on the occurrence of a particular event; or

9.1.3 on a date fixed by or in accordance with the terms of issue.

9.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

## **10 Failure to comply with call notice: automatic consequences**

10.1 If a person is liable to pay a call and falls to do so by the call payment date:

10.1.1 the directors may issue a notice of intended forfeiture to that person; and

10.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

10.2 For the purposes of this article:

10.2.1 the **call payment date** is the time when the call notice states that a call is payable, unless the directors give a notice in writing specifying a later date, in which case the call payment date is that later date;

10.2.2 the **relevant rate** is:

- 10.2.2.1 the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
- 10.2.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- 10.2.2.3 if no rate is fixed in either of these ways, five per cent. (5%) per annum.

10.3 The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

10.4 The directors may waive any obligation to pay interest on a call wholly or in part.

**11 Notice of intended forfeiture**

11.1 A notice of intended forfeiture:

- 11.1.1 must be in writing;
- 11.1.2 may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- 11.1.3 must be sent to the holder of that Share (or, in the case of joint holders of a Share) or to a transmittee of that holder in accordance with these articles;
- 11.1.4 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than fourteen days after the date of the notice;
- 11.1.5 must state how the payment is to be made; and
- 11.1.6 must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

**12 Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.

**13 Effect of forfeiture**

13.1 Subject to the articles, the forfeiture of a Share extinguishes:

- 13.1.1 all interests in that Share, and all claims and demands against the Company in respect of it; and
  - 13.1.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 13.2 Any Share which is forfeited in accordance with the articles:
  - 13.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 13.2.2 is deemed to be the property of the Company; and
  - 13.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 13.3 If a person's Shares have been forfeited:
  - 13.3.1 the Company must send that person written notice that forfeiture has occurred and record it in the register of members;
  - 13.3.2 that person ceases to be a Member in respect of those Shares;
  - 13.3.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
  - 13.3.4 that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 13.3.5 the directors may waive payment of such sums 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.
- 13.4 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

#### **14 Procedure following forfeiture**

- 14.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 14.2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as the case may be) and that a Share has been forfeited on a specified date:
  - 14.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

14.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.

14.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

14.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

14.4.1 was, or would have become, payable;

14.4.2 had not, when that Share was forfeited, been paid by that person in respect of that Share; and

14.4.3 but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

## **15 Surrender of shares**

15.1 A Member may surrender any Share:

15.1.1 in respect of which the directors may issue a notice of intended forfeiture;

15.1.2 which the directors may forfeit; or

15.1.3 which has been forfeited.

15.2 The directors may accept the surrender of any such Share.

15.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

15.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

## **16 Payment of commission on subscription for Shares**

16.1 The Company may pay any person a commission in consideration for that person:

16.1.1 subscribing, or agreeing to subscribe, for Shares; or

16.1.2 procuring, or agreeing to procure, subscriptions for Shares.

16.2 Any such commission may be paid:

16.2.1 in cash, or in fully paid or partly paid Shares or other securities or partly in one way and partly in the other; and

16.2.2 in respect of a conditional or an absolute subscription.

## **17 Share certificates**

### **17.1 Article 24(2)(c) of the Model Articles shall be amended by:**

17.1.1 the deletion of the words “that” and “fully” and the insertion of the words “extent to which” before the word “shares”; and

17.1.2 the word “up” at the end of this Model Article 24(2)(c).

## **18 Transfer of Shares: General**

18.1 The directors shall not register the transfer of any Ordinary Share or any interest in any Ordinary Shares unless the transfer is made in accordance with this article, article 19 (Voluntary Disposals of Shares), article 20 (Compulsory Transfers), article 21 (Come Along Options) or article 22 (Tag Along).

18.2 The Company shall promptly register any duly executed and stamped transfer of Ordinary Shares which is made in accordance with these articles.

18.3 The directors may decline to register any transfer of an Ordinary Share over which the Company has a lien and shall decline to register any transfer of an Ordinary Share which would cause the number of Members to be less or more than any statutory requirement.

18.4 Any obligation to transfer an Ordinary Share under these articles shall be deemed to be an obligation to transfer the legal and beneficial interest in any such Ordinary Share free from any lien, charge or other encumbrance.

## **19 Voluntary Disposals of Shares**

19.1 Unless all of the Members of the Company have otherwise agreed, if any Member (the **Seller Member**) holding Ordinary Shares wishes to dispose of any of his Ordinary Shares (and “dispose” shall include, without limitation, any grant, restriction, other encumbrance of the legal interest or disposal of benefit interest) he shall first offer all his Ordinary Shares to the other Members by giving the other parties notice of his wish to do so (the **Sale Notice**). On receipt of a Sale Notice the other parties shall confer together with a view to the Seller Party selling his Ordinary Shares to the other Members in proportion to the other Members' holding of Ordinary Shares as between themselves and excluding the Shares of the Seller Member. No notice shall be construed as a Sale Notice unless it is so entitled.

19.2 Following service of a Sale Notice any Member may within one month of the date of the Sale Notice serve the other Members with a Notice to Assess Market Value. In this event the Valuer shall be instructed at the Company's expense to assess the Market Value for the “A” Ordinary Shares, the “B” Ordinary Shares, the “C” Ordinary Shares, the “D” Ordinary Shares, the “E” Ordinary Shares, the “F” Ordinary Shares, the “G” Ordinary Shares, the “H” Ordinary Shares, the “I” Ordinary Shares, the “J” Ordinary Shares, the “K” Ordinary Shares and the “L” Ordinary Shares comprised in the Sale Notice and all Members shall assist the Valuer as best they can to arrive at such value. As soon as he is in a position to do so the Valuer shall issue to the parties a Certificate of Market Value.

- 19.3 **Market Value** in relation to the "A" Ordinary Shares comprised in any Sale Notice means such proportion of the value of all of the "A" Ordinary Shares in the Company in issue as the number of "A" Ordinary Shares comprised in such Sale Notice bears to all such "A" Ordinary Shares without discount for a minority or loading for a majority and the value of all of the "A" Ordinary Shares in the Company in issue shall be the fair value of the Company ascertained as between a willing buyer and a willing seller and valuing the undertaking as a going concern, including, where quantifiable, the value of goodwill and brands if and to the extent that such value exceeds the Net Asset Value. In calculating such value assets shall be valued at their full market value. Liabilities shall be estimated where not precisely quantifiable. The Valuer's determination of Market Value shall in the absence of manifest error be final and binding. If the value of the Company does not exceed the Net Asset Value, the fair value shall for the purposes of calculating the Market Value of the "A" Ordinary Shares shall be nil.
- 19.4 **Market Value** in relation to the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares, "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares comprised in any Sale Notice means such proportion of the value of all of the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares, "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares in the Company in issue as the number of "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares, "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares comprised in such Sale Notice bears to all such "B" Ordinary Shares without discount for a minority or loading for a majority and the value of all of the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary shares "F" Ordinary shares, "G" Ordinary shares, "H" Ordinary shares, "I" Ordinary Shares "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares in the Company in issue shall be the Net Asset Value at the date of the Sale Notice.
- 19.5 Within one month of the Valuer issuing a Certificate of Market Value the Members (other than the Seller Member) shall have the right to offer in writing to purchase the Shares comprised in the Sale Notice or (if such other Members unanimously so agree) to offer to procure that the Company purchase them or to offer to purchase some and to procure that the Company purchases the rest. In the absence of agreement between them to the contrary such other Members shall purchase the shares comprised in the Sale Notice in proportion to the holdings of "A" Ordinary Shares, "B" Ordinary shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary shares, "H" Ordinary Shares, "I" Ordinary Shares "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares at the date of the Sale Notice.
- 19.6 Where any Member is deemed to have issued a Sale Notice following the service of a Purchase Notice pursuant to article 20.2:

19.6.1 the price payable for the "A" Ordinary Shares comprised in the Sale Notice shall be whichever is the lower of 25% of the Market Value and £10.82 per "A" Ordinary Share;

19.6.2 the price payable for the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares comprised in the Sale Notice shall be whichever is the lower of 25% of their Market Value and £6.27 per "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary, "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares.

In any other circumstances, including being a Good Leaver, the price payable for the "A" Ordinary Shares, the "B" Ordinary Shares, "C" Ordinary Shares, "D" Ordinary Shares, "E" Ordinary Shares, "F" Ordinary Shares, "G" Ordinary Shares, "H" Ordinary Shares, "I" Ordinary Shares "J" Ordinary Shares, "K" Ordinary Shares and "L" Ordinary Shares shall be 75% of their respective Market Values.

19.7 The Seller Member shall be bound to accept the offers made pursuant to article 19.5 and shall co-operate with the other parties in all steps necessary to complete the sale and purchase. In the case of an offer by the Company to purchase the Shares or some of them this shall be subject to the Valuer certifying to the Seller Member that the Company can purchase such Shares without infringing any applicable provisions of the Act.

19.8 If (in any case where no Notice to Assess Market Value has been served) no agreement to which all parties consent has been reached on the expiry of two months from the date of the Sale Notice for the sale of the Shares comprised in the Sale Notice or if (in a case where a Notice to Assess Market Value has been served) no purchase has taken place on the expiry of one month of the issue of the Certificate of Market Value of all of the shares comprised in the Sale Notice (extended to three months where it Includes a purchase by the Company of its own shares) the Seller Member may at any time within the following six months sell the Shares comprised in the Sale Notice to a person not a party to this agreement (an **Outside Party**) provided the following conditions are met:

19.8.1 he must give the other Members not less than 28 days' notice of his intention to sell the Shares to the Outside Party including the price agreed. Any other parties shall have the right within those 28 days to purchase or procure the purchase of all (but not some) of them at that price and article 19.3 shall apply mutatis mutandis;

19.8.2 such sale shall be subject to the other Members consenting to the Outside Party as a suitable new Member (which consent shall not be unreasonably withheld).

19.9 Any Member disposing of all his Ordinary Shares shall simultaneously submit the written resignation of himself from his directorship or other office In or employment by the Company (but without prejudice to any claim he might have for the compensation or other payments for the loss of such office or employment).

19.10 Any transfer in accordance with the above provisions will be accepted by the Board of the Company for registration and no transfer which is not in such accordance will be so accepted.

19.11 For the purposes of giving effect to this article 19 Company shall be deemed to be the attorney and agent for the Seller Member and (insofar as It applicable) for the holders of any and all of the issued Shares of the Company.

## **20 Compulsory Transfers**

20.1 Following the service of a Purchase Notice as referred to in this article 20 the party on which it has been served shall be deemed to have issued a Sale Notice as referred to in article 19 above.

20.2 Any Member holding Ordinary Shares in the Company shall have the right to serve a Purchase Notice on any other Member who:

20.2.1 is a Bad Leaver; or

20.2.2 is declared bankrupt or circulates his creditors with a view to entering into an Individual Voluntary Arrangement under the Insolvency Act 1986.

20.3 In case article 20.2.1 such Purchase Notice shall be served within one month and in cases under article 20.2.2 within one month of the matter in question coming to the knowledge of the party giving the notice.

20.4 In the event of the death of any Member holding Ordinary Shares in the Company the personal representatives of the deceased Member may serve a Sale Notice relating to the deceased's shareholding at any time within three months of a Grant of Probate or Letters of Administration and any of the other Members may serve a Purchase Notice relating to the deceased's shareholding within the said three months (or within three months of such Grant or Letters becoming known to such member if later).

20.5 In the event of disability of any Member any other Member may serve upon the disabled Member, a Purchase Notice relating to the disabled Member's Shares at any time within three months of the issue of the certificates to which article 20.6 relates.

20.6 For the purposes of this article, Members shall be deemed to be disabled if:

20.6.1 two doctors both certify in writing that the Member is at the date of the certificate unable due to physical or mental disability properly to carry out his duties for the Company and is likely to remain so for a further nine months or more. If any Member reasonably requested by any other Members to submit to medical examination for the purposes of issue of such certificates falls to do so it may be deemed that such certificates have been Issued; or

20.6.2 a successful claim is made by the Company under its permanent health insurance scheme covering the disabled Member.

- 20.7 Each Member hereby irrevocably authorises the other Members upon service upon him of a Purchase Notice under this article to complete all matters following from the service of such Purchase Notice. Such authority shall be binding on his personal representatives.

## 21 Come Along Options

- 21.1 Without prejudice to any provision in these articles if the Requisite Majority (the **Controlling Member**) wishes to transfer all of their Ordinary Shares to a third party purchaser who is not a Member of the Company at the date of the adoption of these articles on arm's length terms (the **Third Party Purchaser**), the Controlling Members shall have the option (the **Come Along Option**) to require (subject to article 21.5 all the other Members to transfer all of the Ordinary Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this article.
- 21.2 The Controlling Member may exercise the Come Along Option by giving notice to that effect (a **Come Along Notice**) to the other Members (the **Called Members**) at any time before the transfer of the Ordinary Shares to the Third Party Purchaser. A Come Along Notice shall specify that the Called Members are required to transfer all their Ordinary Shares (the **Called Shares**) pursuant to article 21.1, the price at which the Called Shares are to be transferred (calculated in accordance with article 21.4), and the proposed date of transfer which shall not be less than 14 days after the date of the Come Along Notice.
- 21.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason the Controlling Member does not transfer all of his Ordinary Shares to the Third Party Purchaser within 60 days after the date of the Come Along Notice.
- 21.4 The Called Members shall be obliged (subject to article 21.5 to sell the Called Shares at the specified price and to enter into such agreements as are required by the Third Party Purchaser provided that the Controlling Member is entering into equivalent agreements and the obligations and liabilities imposed on and assumed by the Called Members under the terms of such agreements are no more onerous than the equivalent obligations and liabilities imposed on and assumed by the Controlling Member. For the purposes of articles 21.4 and 21.5 the expression **specified price** means the prices per "A" Ordinary Share, "B" Ordinary Share, "C" Ordinary Share, "D" Ordinary Share, "E" Ordinary Share, "F" Ordinary Share, "G" Ordinary Share, "H" Ordinary Share, "I" Ordinary Share, "J" Ordinary Share, "K" Ordinary Share and "L" Ordinary Share to be paid by the Third Party Purchaser or persons acting in concert with him for the Controlling Member's Ordinary Shares plus an appropriate proportionate amount of the consideration (in cash or otherwise) receivable by the Controlling Member having regard to the substance of the transaction which can reasonably be regarded as part of the overall consideration payable for the Controlling Members' Ordinary Shares.
- 21.5 If:
- 21.5.1 the Called Members are not satisfied with the specified price the Called Members may by giving written notice (the **Come Back Notice**) to the Controlling Member within ten days of receiving the Come Along Notice require

the Controlling Member to sell each of his Ordinary Shares to the Called Members (pro rata to their existing shareholding) at prices per Ordinary Share equal to the specified price. If the Called Members serve a Come Back Notice, completion of the sale of the Controlling Member's Ordinary Shares shall take place on the second business day after the receipt by the Controlling Member of the Come Back Notice when the Called Members shall pay the Controlling Member the specified price in cleared funds for each of the Controlling Member's Ordinary Shares and the Controlling Member shall transfer his Ordinary Shares and deliver the relevant share certificates to the Called Members;

21.5.2 the Controlling Member does not receive a Come Back Notice within the time specified in article 21.5.1 or if a Come Back Notice is served and completion does not take place in accordance with article 21.5.1 then the Called Members shall be obliged to sell the Called Shares to the Third Party Purchaser in accordance with articles 21.4 and 21.6.

21.6 Subject to article 21.5 completion of the sale of the Called Shares to the Third Party Purchaser shall take place on the same date as the sale of the Controlling Member's Ordinary Shares being on or after the date of transfer specified in the Come Along Notice unless all of the Called Members and the Controlling Member agree otherwise.

## 22 Tag Along

22.1 Notwithstanding any other provision in these articles no event in relation to any Ordinary Shares which would result in any person (who is not a Member at the date of adoption of these articles) being or becoming beneficially entitled to more than 50% of the "A" Ordinary Shares (the **Controlling Purchaser**) (for the purposes of this article 22) shall have any effect, unless before the relevant event takes effect the Controlling Purchaser has made a bona fide offer in accordance with this article to purchase at the specified price (defined in article 22.3) for all the Ordinary Shares.

22.2 An offer made under article 22.1 shall be in writing open for acceptance for at least 21 days, and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within 28 days and the consideration under such an offer shall be settled in full on completion of the purchase and within 30 days of the date of the offer.

22.3 For the purposes of article 21.1 the expression **specified price** means the prices per "A" Ordinary Share, "B" Ordinary Share, "C" Ordinary Share, "D" Ordinary Share, "E" Ordinary Share, "F" Ordinary Share, "G" Ordinary Share, "H" Ordinary Share, "I" Ordinary Share, "J" Ordinary Share, "K" Ordinary Share and "L" Ordinary Share equal to the highest prices paid or payable by the Controlling Purchaser or persons acting in concert with him or in connection with him (or if applicable the Company) for any such Ordinary Shares within the last six months.

22.4 In determining the specified price for the purposes of article 22.1, the holders of the Ordinary Shares may be required to be satisfied that the Ordinary Shares acquired by the Controlling Purchaser were acquired bona fide for the consideration stated in the

transfer(s) without any reduction, rebate or allowance whatsoever to the Controlling Purchaser and if not so satisfied may require a price to be agreed or determined by the Valuers.

22.5 If the Controlling Purchaser shall fail to complete the purchase of all Ordinary Shares held by other Members offered to him in accordance with the provisions of this article, the Controlling Purchaser may cease to have any right or vote or to receive dividends in respect of the Ordinary Shares most recently acquired by him or on his behalf and the directors shall refuse to register the transfer of the Ordinary Shares most recently acquired by the Controlling Purchaser and may require the Controlling Purchaser to serve a transfer notice in accordance with this article in respect of the Ordinary Shares most recently acquired by him.

22.6 For the purposes of this article any person who is an agreement to which Section 824 of the Act would apply if the Company were a public company shall be taken to be beneficially interested in all Ordinary Shares in the Company in which any other party to the agreement is interested (whether or not the interest of the other party in question was acquired or includes any interest which was acquired in pursuant to that agreement).

## **23 Prohibited Transfers**

Notwithstanding any other provision of these articles, no transfer of any Share shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.

## **24 Transmission of shares**

24.1 Nothing in these articles releases the estate of a deceased Member from any liability in respect of a Share solely or jointly held by that Member.

24.2 Article 27 (3) of the Model Articles shall be amended by the insertion of the words "subject to the provisions of the Company's articles", after the initial word "But".

## **25 Transmittes bound by prior notices**

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

## **26 Procedure for disposing of fractions of shares**

26.1 This article applies where:

26.1.1 there has been a consolidation or division of Shares; and

26.1.2 as a result, Members are entitled to fractions of Shares.

26.2 The directors may:

- 26.2.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;
  - 26.2.2 authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
  - 26.2.3 distribute the net proceeds of sale in due proportion among the holders of the Shares.
- 26.3 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- 26.4 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **27 Calculation of dividends**

- 27.1 Except as otherwise provided by the articles or the rights attached to Shares, all dividends must be:
- 27.1.1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid; and
  - 27.1.2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.
- 27.2 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly.
- 27.3 If and so long as the Share capital is divided into different classes of shares, the directors may, subject to the provisions of the Act, pay interim dividends at variable rates on the different classes of Shares, and the Company, on the recommendation of the directors, may declare dividends at variable rates on the different classes of Shares.

## **28 Deductions from distributions in respect of sums owed to the Company**

- 28.1 If:
- 28.1.1 a Share is subject to the Company's Lien;
  - 28.1.2 the directors are entitled to issue a lien enforcement notice in respect of it;
  - 28.1.3 they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice.
- 28.2 Money so deducted must be used to pay any of the sums payable in respect of that Share.

28.3 The Company must notify the distribution recipient in writing of:

28.3.1 the fact and amount of any such deduction;

28.3.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and

28.3.3 how the money deducted has been applied.

## **29 Authority to capitalise and appropriation of capitalised sums**

29.1 Article 36(4) of the Model Articles shall be amended by inserting the phrase "in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or" after the words "may be applied".

### **Directors: Decision-Making by Directors**

## **30 Directors to take decisions collectively**

### **30.1 Directors general authority**

Article 3 of the Model Articles shall be amended by the insertion of the words "and to the applicable provisions for the time being of the Companies Acts", after the phrase "subject to the articles".

### **30.2 Change of Company Name**

The directors may resolve in accordance with these articles to change the Company's name.

### **30.3 Committees**

Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of power, authority or discretion by the committee.

## **31 Directors to take decisions collectively**

31.1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with these articles or otherwise as a unanimous decision taken in accordance with these articles.

31.2 If the company only has one director for the time being and no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision making.

31.3 Subject to the articles, each director participating in a directors' meeting has one vote.

## **32 Directors Written Resolutions**

- 32.1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors).
- 32.2 If the Company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors).
- 32.3 Notice of a proposed directors' written resolution must indicate:
  - 32.3.1 the proposed resolution; and
  - 32.3.2 the time by which it is proposed that the directors should adopt it.
- 32.4 A proposed directors' written resolution is adopted when a majority of the non-conflicted directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting.
- 32.5 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

## **33 Unanimous Decisions**

- 33.1 A decision of the Board is taken in accordance with this article 33 when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 33.2 A decision may not be taken in accordance with article 33.1 if the eligible directors would not have formed a quorum at such a meeting.

## **34 Calling a directors' meeting**

- 34.1 Article 9 of the Model Articles shall be amended by:
  - 34.1.1 inserting the words "each of" before the words "the directors";
  - 34.1.2 by inserting the phrase "(including alternate directors), whether or not he is absent from the UK," after the words "the directors";
  - 34.1.3 by inserting the words "subject to article 9(4)" at the beginning of article 9(3) of the Model Articles; and
  - 34.1.4 by inserting the words "prior to or up to and including" before the words "not more than seven days" in article 9(4) of the Model Articles.

### **35 Chairman's casting vote at directors' meetings**

- 35.1 Article 13(1) of the Model Articles shall be amended by the insertion of the words "at a meeting of directors" after the word "proposal".
- 35.2 Article 13(1) of the Model Articles (as amended by paragraph (1) of this article does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon).

### **36 Quorum for directors' meetings**

- 36.1 Subject to paragraph (2) of this article, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than two directors, and unless otherwise fixed it is two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these articles and accordingly the quorum for the transaction of business in these circumstances shall be one.
- 36.2 For the purposes of any meeting (or part of a meeting) held pursuant to these articles to authorise a director's conflict, if there only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director.

### **37 Directors' conflicts of interest**

- 37.1 For the purposes of this article, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 37.2 The directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid situations in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a **Conflict of Interest**).
- 37.3 A director seeking authorisation in respect of a conflict of interest shall declare to the other directors the nature and extent of his interest in a conflict of interest as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the conflict of interest, together with such other information as may be requested by the other directors.
- 37.4 Any authorisation under this article will be effective only if:
- 37.4.1 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 under the provisions of these articles or in such other manner as the directors may determine;

37.4.2 any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting the director in question and any other conflicted director(s); and

37.4.3 the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted.

37.5 Any authorisation of a conflict of interest under this article may (whether at the time of giving the authorisation or subsequently):

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

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

37.5.3 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.

37.6 In authorising a conflict of interest 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 of interest otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

37.6.1 disclose such information to the directors or to any director or other officer or employee of the Company; or

37.6.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.

37.7 Where the directors authorise a Conflict of Interest they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:

37.7.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the conflict of interest;

37.7.2 is not given any documents or other information relating to the conflict of interest;

37.7.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the conflict of interest.

37.8 Where the directors authorise a conflict of interest:

37.8.1 the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the conflict of interest;

37.8.2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and/or conditions (if any) as the directors impose in respect of its authorisation. Conflicts of Interest arising in relation to transactions or arrangements with the Company.

37.9 Subject to the applicable provisions for the time being of the Act and to any terms, limits and/or conditions imposed by the directors in accordance with this article, and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Act, a director notwithstanding his office:

37.9.1 may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;

37.9.2 shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the Company, in which he is in any way directly or indirectly interested;

37.9.3 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; and

37.9.4 may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

37.10 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he receives as director or other officer or employee of the Company's subsidiaries or of any other body corporate in which the Company is interested or which he (or anyone connected with him (as defined in section 252 of the Act)) derives from or in connection with any such office or employment or from a relationship involving a conflict of interest which has been authorised by the directors or by the Company at a general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) or from any contract, transaction or arrangement with, or other interest in, the Company or in which the Company is otherwise interested and no contract, transaction or arrangement shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

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

37.12 Subject to the article 37.13, 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.

37.13 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **38 Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

### **39 Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

### **40 Appointment of directors**

40.1 In any case where, as a result of death or bankruptcy, the Company has no Members and no directors, the transmittee(s) of the last Member 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.

40.2 For the purposes of article 40.1, where two or more Members die in circumstances in which it is uncertain who was the last to die, a younger Member is deemed to have survived the older Member.

### **41 Termination of director's appointment**

Article 18(c) of the Model Articles shall be amended by the addition of the words "and the company resolves that his office be vacated" at the end of the sub-article.

### **42 Directors Expenses**

Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary (if any)" before the words "properly incur".

### **43 Appointment and removal of alternate directors**

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

43.1.1 exercise that director's powers; and

43.1.2 carry out that director's responsibilities,

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

43.2 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.

43.3 The notice must:

43.3.1 identify the proposed alternate; and

43.3.2 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.

### **44 Rights and responsibilities of alternate directors**

44.1 An alternate director may act as 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.

44.2 Except as the articles specify otherwise, alternate directors:

44.2.1 are deemed for all purposes to be directors;

44.2.2 are liable for their own acts and omissions;

44.2.3 are subject to the same restrictions as their appointors (including those set out in sections 172 to 177 of the Act inclusive and these articles); and

44.2.4 are not deemed to be agents of or for their appointors, and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a Member.

44.3 A person who is an alternate director but not a director:

44.3.1 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 and provided that no alternate may be counted as more than one director for these purposes);

44.3.2 may participate in a unanimous decision of the directors (but only if his appointor does not participate); and

44.3.3 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

44.4 A director who is also an alternate director is entitled, in the absence of any of his appointors, to a separate vote on behalf of that appointor, in addition to his own vote on any decision of the directors but he shall count as only one for the purpose of determining whether a quorum is present.

44.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

#### **45 Termination of alternate directorship**

45.1 An alternate director's appointment as an alternate for any appointor terminates when that appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate.

45.2 When notification is received by the Company from the alternate that the alternate is resigning as alternate for that appointor and such resignation has taken effect in accordance with its terms.

45.3 On the occurrence, in relation to the alternate, of any event which, if it occurred in relation to that appointor, would result in the termination of that appointor's appointment as a director:

45.3.1 on the death of that appointor; or

45.3.2 when the alternate's appointor's appointment as a director terminates.

#### **46 Appointment and removal of Secretary**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

#### **Members: Decision-Making by Members**

#### **47 Convening general meetings**

The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or the members requisitioning the meeting (or any of them representing more than one half of the total voting rights of them all) may call a

general meeting. If the company has only a single member, such member shall be entitled at any time to call a general meeting.

#### **48 Notice of general meetings**

- 48.1 General meetings (other than an adjourned meeting) 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 by a majority in number of the members having a right to attend and vote, being a majority together holding not less than ninety per cent (90%) in nominal value of the shares at the meeting, giving that right.
- 48.2 The notice shall specify the time, date and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.
- 48.3 Subject to the provisions of these articles and to any restrictions imposed on any Shares, the notice shall be given to all members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member (if the company has been notified of their entitlement) and to the directors, alternate directors and the auditors for the time being of the Company.
- 48.4 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 that meeting.

#### **49 Resolutions requiring special notice**

- 49.1 If the Act requires special notice to be given of a resolution, then the resolution will not be effective unless notice of the intention to propose it has been given to the Company at least twenty-eight clear days before the general meeting at which it is to be proposed.
- 49.2 Where practicable, the Company must give the members notice of the resolution in the same manner and at the same time as it gives notice of the general meeting at which it is to be proposed. Where that is not practicable, the Company must give the members at least fourteen clear days' before the relevant general meeting by advertisement in a newspaper with an appropriate circulation.
- 49.3 If, after notice to propose such a resolution has been given to the company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice shall be deemed to have been properly given, even though it was not given within the time required by this article.

#### **50 Quorum for general meetings**

No business shall be transacted at any meeting unless a quorum is present. Subject to section 318(2) of the Act, two qualifying persons (as defined in section 318(3) of the Act) entitled to vote upon the business to be transacted shall be a quorum, provided that if the Company has only a single member, the quorum shall be one such qualifying person.

## **51 Adjournment**

Article 41(1) of the Model Articles shall be amended by inserting the following sentence at the end of the first sentence of that article: "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."

## **52 Voting: general**

- 52.1 Subject to any rights or restrictions attached to any Shares, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (unless the representative is himself a member, in which case he shall have more than one vote) shall have one vote. A proxy shall not be entitled to vote on a show of hands.
- 52.2 No member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by him unless all monies presently payable by him in respect of that Share have been paid.
- 52.3 In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 52.4 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## **53 Poll Votes**

- 53.1 On a poll every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every Share of which he is the holder. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 53.2 Article 44(2) of the Model Articles shall be amended by the insertion of the following subparagraph as article 44(2)(e):
- 53.2.1 "a person or persons holding shares conferring a right to vote on the resolution on which not less than one tenth of the total sum paid up on all the shares conferring that right has been paid"
- 53.3 Article 44(3) of the Model Articles shall be amended by inserting the following sentence at the end of the Article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made".

- 53.4 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 53.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 53.6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

#### **54 Content of proxy notices**

- 54.1 Subject to the provisions of these articles, a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that member.
- 54.2 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
- 54.2.1 states the name and address of the member appointing the proxy;
  - 54.2.2 Identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - 54.2.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 54.2.4 is delivered to the Company in accordance with the articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and received by the Company:
    - 54.2.4.1 (subject to the following paragraphs of this article, in the case of a general meeting or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised;
    - 54.2.4.2 in the case of a poll taken more than forty-eight hours after it is demanded, after the poll has been demanded and not less than twenty-four hours before the time appointed for the taking of the poll.

54.2.5 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the time at which the poll was demanded or twenty-four hours before the time appointed for the taking of the poll whichever is the later;

54.2.6 and a proxy notice which is not delivered and received in such manner shall be invalid.

54.3 Article 45(3) of the Model Articles shall be amended by the addition of the following at the end of the article: "and the proxy is obliged to vote or abstain from voting in accordance with the specified Instructions. However, the company is not obliged to check whether a proxy votes or abstains from voting as he has been instructed and shall incur no liability for failing to do so. Failure by a proxy to vote or abstain from voting as Instructed at a meeting shall not invalidate proceedings at that meeting."

## **55 Delivery of proxy notices**

55.1 Any notice of a general meeting must specify the address or addresses (a **proxy notification address**) at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

55.2 Article 46(1) of the Model Articles shall be amended by inserting the words: "to a proxy notification address" at the end of that Article.

55.3 A notice revoking a proxy appointment only takes effect if it is received by the Company:

55.3.1 subject to the following paragraphs of this article, in the case of a general or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised:

55.3.2 in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll; or

55.3.3 in the case of a poll not taken forthwith but not more than forty-eight hours after it was demanded, at the time at which it was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is later, and a notice which is not delivered and received in such manner shall be invalid.

55.4 In calculating the periods referred to in the preceding article 54 (Content of proxy notices) and this article, no account shall be taken of any part of a day that is not a working day.

## **56 Representation of corporations at meetings**

Subject to the Act, a Company which a member may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a meeting of the Company or at a separate meeting of the holders of a class of Shares of the Company (a **corporate representative**). A director, secretary or

other person authorised for the purpose by the directors may require the corporate representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

**57 Means of communication to be used**

57.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

57.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight hours after it was posted;

57.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

57.1.3 if properly addressed and sent or supplied by electronic means forty-eight hours after the document or information was sent or supplied; and

57.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

57.2 For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

57.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

57.4 In the case of joint holders of a Share, all notices or documents shall be given to the joint holder whose name stands first in the register in respect of the joint holding. Notice so given shall be sufficient notice to all of the joint holders. Where there are joint holders of a Share, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint holder of members. The agreement or specification of the joint holder whose name stands first in the register will be accepted to the exclusion of the agreement or specification of any other joint holder(s) whose name(s) stand later in the register of members.

57.5 The company may give notice to the transmittee of a Member, by sending or delivering it in any manner authorised by these articles for the giving of notice to a Member, addressed to that person by name, or by the title, of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

## **58 Company seals**

Article 49(3) of the Model Articles shall be amended by the insertion of the words "by either at least two authorised persons or" after the word "signed".

## **Administrative Arrangements**

### **59 Means of communication to be used**

59.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

59.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight hours after it was posted;

59.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

59.1.3 if properly addressed and sent or supplied by electronic means forty-eight hours after the document or Information was sent or supplied; and

59.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

59.2 For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

59.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

59.4 In the case of joint holders of a Share, all notices or documents shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding. Notice so given shall be sufficient notice to all of the joint holders. Where there are joint holders of a Share, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint holders. The agreement or specification of the joint holder whose name stands first in the register will be accepted to the exclusion of the agreement or specification of any other joint holder(s) whose name(s) stand later in the register of members.

59.5 The Company may give notice to the transmittee of a Member, by sending or delivering it in any manner authorised by these articles for the giving of notice to a Member, addressed to that person by name, or by the title, of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be

given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

## **60 Indemnity**

60.1 Subject to article 60.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

60.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

60.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

60.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any 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 breach of trust in relation to the Company's (or any associated company) affairs; and

60.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 60.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

60.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

60.3 For the purposes of this article:

60.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

60.3.2 a **relevant officer** means any director or other officer or former director or other officer 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 Act) and may, if the Members so decide, include any person engaged by the Company (or any associated company) as auditor (where or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

## **61 Insurance**

61.1 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.

61.2 In this article 61:

61.2.1 a **relevant officer** means any director or other officer or former director or other officer 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 Act);

61.2.2 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

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

## **62 Member consents**

62.1 Without prejudice to any provisions of the Act as regards the modification of the rights attached to classes of Shares, the prior written consent of the Requisite Majority shall be required in relation to any proposal to:

62.1.1 create or issue any Share or loan capital or issue any rights or securities convertible into Share or loan capital or grant or agree to grant any option over Shares of the Company or any subsidiary (other than a wholly owned subsidiary);

62.1.2 vary or reorganise its or any subsidiary's Share or loan capital or modify the rights attaching to any of its or any subsidiary's Share or loan capital;

62.1.3 make any repayment or redemption of its Share or loan capital (other than in accordance with its terms of issue) or reduce all or any of its share capital or purchase its own Shares;

62.1.4 admit any person whether by subscription or transfer as a Member;

62.1.5 pass any resolution to alter these articles;

62.1.6 breach any of the provisions of these articles;

62.1.7 pass any resolution to place the Company or any subsidiary in voluntary liquidation, administration or receivership or relating to a composition with the Company's creditors generally;

62.1.8 subscribe for or otherwise acquire any interest in any other company or other body corporate or any other business;

- 62.1.9 sell or dispose of the whole or a substantial part of the undertaking or the assets of the Company or of any subsidiary of the Company;
- 62.1.10 dispose of any assets of the Company or any subsidiary other than in the ordinary course of business;
- 62.1.11 amalgamate or merge the Company or any subsidiary with any other company or concern;
- 62.1.12 provide any credit (other than normal trade credit) or make a loan or advance to any person;
- 62.1.13 give any guarantee or indemnity (other than guarantees or warranties relating to products manufactured or services provided by the Company which are given in the ordinary course of the Company's business);
- 62.1.14 enter into any transaction or dealing of an unusual or long-term nature or otherwise than on normal commercial terms;
- 62.1.15 make any material changes in the nature of the business or commence any new type of business not being ancillary or incidental to the existing business of the Company or cease to carry on any such new type of business or existing business;
- 62.1.16 enter into any joint venture, partnership or consortium agreement or arrangement;
- 62.1.17 create any security, charge, lien or similar interest over any of its assets and undertakings;
- 62.1.18 vary the remuneration and benefits given to directors of the Company (or their Connected Persons) save for annual increases in their basic rate of remuneration not exceeding the increase in the Retail Prices Index since the date such remuneration was last fixed or reviewed (or such other appropriate index as may from time to time be substituted for such Index); or
- 62.1.19 remove a director from office or enter into or terminate a service agreement with any director or their Connected Persons or vary materially any existing service agreement with any such person.