

COPY

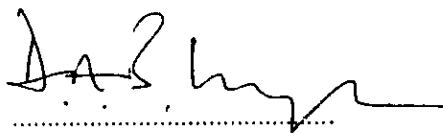
**HEARTWOOD WEALTH GROUP LIMITED**

Company Number: 05498937

**Special Resolution**

At the General Meeting of the Company's Shareholders on the 28<sup>th</sup> April 2009 IT WAS RESOLVED TO adopt the revised Articles of Association, as presented to the meeting and initialed by the Chairman for the purpose of identification, in substitution for and to the exclusion of the Company's existing Articles of Association with effect from the conclusion of the meeting.

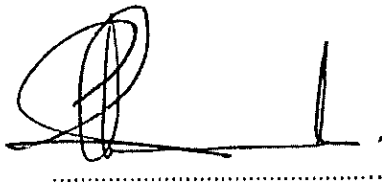
The special resolution was approved on 28<sup>th</sup> April 2009.



Chairman

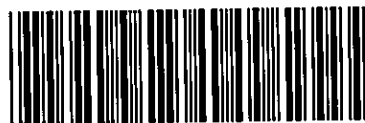
28 April 2009

Date



Secretary

THURSDAY



\*AWKC69GX\*

A62

30/04/2009

168

COMPANIES HOUSE

COPY

**THE COMPANIES ACTS 1985 TO 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION**

**HEARTWOOD WEALTH GROUP LIMITED**

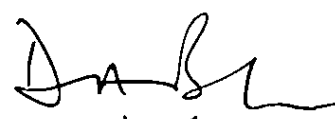
adopted by resolution of the Company passed on 28 April 2009

---

Speechly Bircham LLP  
6 New Street Square  
London  
EC4A 3LX

Tel: +44 (0)20 7427 6400  
Fax: +44 (0)20 7427 6600

Ref NJ/320789  
Doc 6146212

A handwritten signature in black ink, appearing to be 'J. A. Birch', is located in the bottom right corner of the page.

COPY

## Contents

	Page
1. THE ARTICLES.....	1
2. DEFINITIONS AND INTERPRETATION .....	1
3. SHARES .....	5
4. INCOME.....	5
5. VOTING .....	6
6. ISSUE OF SHARES.....	6
7. LIEN.....	7
8. PERMITTED TRANSFERS .....	8
9. COMPULSORY TRANSFERS .....	9
10. PRE-EMPTION RIGHTS ON TRANSFER.....	10
11. TAG ALONG .....	16
12. DRAG ALONG .....	17
13. GENERAL MEETINGS.....	18
14. PROCEEDINGS AT GENERAL MEETINGS .....	18
15. APPOINTMENT, RETIREMENT AND ALTERNATES OF DIRECTORS .....	19
16. PROCEEDINGS OF DIRECTORS .....	20
17. DIRECTORS' INTERESTS .....	21
18. CONFLICTS OF INTEREST.....	21
19. DIRECTOR POWERS AND REMUNERATION.....	23
20. DISQUALIFICATION OF DIRECTORS .....	23
21. SECRETARY AND SEAL.....	23
22. PARTLY PAID SHARES .....	23
23. NOTICES .....	24
24. INDEMNIFICATION OF OFFICERS.....	24

Company number: 5498937

THE COMPANIES ACTS 1985 to 2006

---

PRIVATE COMPANY LIMITED BY SHARES

---

ARTICLES OF ASSOCIATION

of

Heartwood Wealth Group Limited (the Company)

---

(Adopted by resolution of the Company passed on 15 October 2008)

**1. THE ARTICLES**

**1.1 The Articles shall consist of:**

**1.1.1 the regulations in this document; and**

**1.1.2 the Regulations as amended by these Articles.**

**1.2 The Regulations shall apply to the Company except where they are excluded or varied by these Articles or are inconsistent with these Articles and such Regulations (except where they are excluded, varied or inconsistent) and these Articles shall be the regulations of the Company.**

**1.3 Regulations 54, 64-69 (inclusive), 76(b), 77, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.**

**2. DEFINITIONS AND INTERPRETATION**

**2.1 In these Articles unless the context otherwise requires, the following expressions shall have the following meanings:**

**1985 Act:** the Companies Act 1985 as amended and in force from time to time;

**2006 Act:** the Companies Act 2006 as amended and in force from time to time;

**Acts:** the 1985 Act and the 2006 Act;

**A Ordinary Shares:** the A Ordinary Shares of 10p each in the capital of the Company

**Accounting Reference Period:** the accounting reference period of the Company as determined in accordance with section 391 of the 2006 Act;

**Adoption Date:** the date of adoption of these articles;

**Applicants:** persons to whom a Notice (as defined in Article 10.15) may be sent, who may be Members and/or Eligible Employees;

**Board:** the board of Directors of the Company from time to time;

**B Ordinary Shares:** the B Ordinary Shares of 10p each in the capital of the Company

**Cessation Date:** the date on which an Employee becomes a Leaver being the earlier of: the date his employment contract with the applicable Group Company is terminated or the date his contract for services as a Director is terminated; or the date he ceases to provide or have his services provided to a Group Company;

**CPA:** a competent independent professional adviser identified by the Board and instructed by the Company to advise the Company from time to time for the purposes of these Articles;

**Deemed Transfer Notice:** a notice that is deemed to have been served pursuant to Article 9;

**Director:** a director of the Company from time to time;

**EBT:** the Heartwood Wealth Group Employee Benefit Trust as established by the Company by resolution of the Board on 7 December 2005 and/or any other employee benefit trust which in relation to the Company is an employees' share scheme (as defined in Section 1166 of the Companies Act 2006) (other than the HSIP) and which the Directors resolve should fall within this definition;

**Eligible Employee:** in relation to participation in any particular matter, act or event an Employee selected in the absolute discretion of the Board, for the purposes of that particular matter, act or event and the Board may specify that certain categories of Employee are to be regarded as always selected or not selected for particular matters, acts or events;

**Employee:** a person who is or has been a Director and/or an employee of the Group or a consultant who is or has provided services to any Group Company while such entity was a Group Company;

**Family Member:** the spouse or widow or widower of an Original Member (which for this purpose shall include that Original Member's civil partner registered under the Civil Partnership Act 2004, or the partner of that Original Member legally recognised as such by an equivalent or analogous legal process in any jurisdiction) and an Original Member's children and grandchildren (including adopted children and stepchildren) and remoter issue;

**Family Trust:** a trust which permits the settled property or the income therefrom to be applied only for the benefit of the settlor and/or a Family Member of that settlor or any charity or charities where such charity or charities have no immediate beneficial interest in any of the settled property when the trust was created but may become so interested if there are no other beneficiaries from time to time except another charity or charities, and under which no power of control is capable of being

exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor;

**Group:** the Company, its subsidiary undertaking, any parent undertaking of the Company and any subsidiary undertaking of any such parent undertaking from time to time and **Group Company** shall be construed accordingly;

**HSIP:** the Heartwood Share Incentive Plan and/or any other share incentive plan approved by HM Revenue & Customs under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 which the Directors resolve should fall within this definition;

**Jersey SPV:** Heartwood SPV Limited, a company registered in Jersey, with number 91768, whose registered office address is at Templar House, Don Road, St Helier, Jersey JE4 8WH, British Channel Islands;

**Leaver:** an Employee who ceases to be a Director and/or an employee of any Group Company or ceases to provide or have his services provided to any Group Company due to reasons of (a) such gross misconduct as causes there to be a summary termination without notice; or (b) fraud; or (c) some act or omission of an Employee which would or might cause him or any member of the Group to be in breach of any law or regulation or some order of the Financial Services Authority as causes there to be summary termination without notice and/or loss of the Employee's FSA Approved Person Status; and in any such case in (a), (b) or (c) whether (i) under his contract of employment with the applicable Group Company; or (ii) under his agreement to serve as a Director; or (iii) under any contract under which such Employee provides or has his services provided to the Company; or (d) circumstances arising which, in the judgement of the Board, inflict or may inflict material damage to the reputation and value of the Company;

**Leaver Shares:** any B Ordinary Shares acquired by a Member after 7 December 2005 (and whether acquired by allotment or transfer or otherwise) by or on behalf of any of his Family Members or Family Trusts or his Member's SIPP or the Jersey SPV including any B Ordinary Shares acquired by the Leaver or his Family Members or Family Trusts after the Cessation Date, except that the Board may in writing in its discretion exclude from the scope of this definition any B Ordinary Shares acquired by his Family Members or Family Trusts which are obtained by such persons independently of the Leaver;

**Member:** a holder of any Shares from time to time, including a Family Member acquiring Shares pursuant to Article 8.3;

**Member's SIPP:** a Self Invested Personal Pension Plan of an Employee;

**Non-Participating Member:** having the meaning given to it in Article 9.3;

**Non-Participating Shares:** Shares held by a Non-Participating Member;

**Option Scheme:** the Heartwood Wealth Group Employee Share Incentive Scheme and/or such other employees' share schemes as the Board may approve;

**Ordinary Shares:** the A Ordinary Shares and the B Ordinary Shares in issue from time to time;

**Original Member:**

- (i) a Member who is an Employee (but not for the avoidance of doubt a Member where the Employee holds shares in his capacity as a trustee of the EBT or of the HSIP) and who transfers any Shares pursuant to Article 8.1

- (ii) an Employee whose Family Trust, or Member's SIPP or one of whose Family Members became a Member otherwise than by virtue of a transfer under Article 8.1, unless the Board determines that such Employee is not to fall within this paragraph (ii);

**Original Price:** in relation to a Share, the amount paid or credited as paid up on that Share, including sums paid, or credited as paid, by way of premium;

**Permitted Transfer:** a transfer of Shares expressly authorised by Article 8;

**Permitted Transferee:** any person to whom any Shares have been or may be transferred pursuant to Article 8;

**Regulations:** the regulations in Table A and **Regulation** shall mean a regulation in Table A;

**Remuneration Committee:** the committee established by the Board to determine matters relating to the remuneration of Directors and Employees, in accordance with the terms of reference given to such committee by the Board;

**Seller:** a Member giving a Transfer Notice or one whose holding of Shares is subject to a Deemed Transfer Notice (as the context so requires);

**Seller's Price:** the amount per Transfer Share stated in the Transfer Notice or the Deemed Transfer Notice;

**Subscription Price:** the aggregate amount paid up or credited as paid up together with any premium paid on subscription of a Share, such sum having been received by the Company;

**Shares:** all the shares in the capital of the Company each having the rights and being subject to the restrictions contained in these Articles;

**Significant Shareholder Director:** the meaning given to it in Article 15.3;

**Surplus Transfer Shares Notice:** the meaning given to it in Article 10;

**Table A:** Table A in the Companies (Tables A – F) Regulations 1985 as amended prior to the adoption of these Articles as they relate to a private company limited by shares;

**Transfer Notice:** a notice given by a Member where a Member wishes, or is required by these Articles, to transfer any Shares;

**Transfer Period:** any period except for such period or periods as the Directors may from time to time resolve should not be a Transfer Period for the purposes of these Articles;

**Transfer Price:** the price per Share at which each Transfer Share is to be sold, as determined by Article 10.7, 10.8, 10.9 or 10.11 (as the case may be); and

**Transfer Shares:** Shares specified in a Transfer Notice, a Deemed Transfer Notice or Surplus Transfer Shares Notice (as the case may be).

## 2.2 Unless the context otherwise requires:

2.2.1 References to the singular include the plural and vice versa;

2.2.2 References to any gender include each other gender;

- 2.2.3 **Connected** has the meaning in section 839 Income and Corporation Taxes Act 1988 and **control** has the meaning in section 840 Income and Corporation Taxes Act 1988;
- 2.2.4 Where in these Articles any matter is required to be done with the authority of an Ordinary Resolution, it shall be treated as having been validly authorised if sanctioned by a Special Resolution; and
- 2.2.5 Subject as aforesaid any words and expressions defined in the Acts shall bear the same meanings in these Articles.
- 2.3 A reference in these Articles to the **transfer** of any Share shall be deemed to mean the transfer, sale, or other disposal of or grant of a mortgage, charge or option over the entire or any part of the legal and/or beneficial ownership in such Share.
- 3. SHARES**
- 3.1 The authorised Share capital of the Company at the Adoption Date is £100,000 divided into 800,000 A Ordinary Shares of 10p each and 200,000 B Ordinary Shares of 10p each.
- 3.2 The A Ordinary Shares and the B Ordinary Shares shall be separate classes of Shares for the purposes of these Articles and the Acts having the rights and restrictions set out in these Articles.
- 3.3 The trustees of an EBT may from time to time request the Directors to redesignate any or all of the Shares held by them to Shares of a different class as agreed between the trustees and the Directors. If the Directors, in their absolute discretion, agree to such a request, such redesignation shall take effect automatically on the date and time agreed between the trustees and the Directors for that purpose.
- 3.4 If no Shares of a class remain in issue following a redesignation in accordance with Article 3.3, these Articles shall be read as if they do not include reference to that class or to any consents from, or attendance at any meeting or votes cast by, members of that class.
- 4. INCOME**
- 4.1 The profits of the Company available for distribution shall be distributed to the holders of the Ordinary Shares (as if they constituted one class of Shares) in such amount as the Board may determine from time to time.
- 4.2 Every dividend shall be paid in cash net of tax and shall be distributed to the Members (as relevant) pro rata to the numbers of Ordinary Shares held by them. Regulation 104 shall be construed accordingly.



## **5. VOTING**

- 5.1 Each holder of A Ordinary Shares or B Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company and on a show of hands every holder of A Ordinary Shares or B Ordinary Shares 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 and on a poll every holder of A Ordinary Shares or B Ordinary Shares so present shall have one vote for each A Ordinary Share or B Ordinary Share held by them.
- 5.2 The Non-Participating Shares shall not entitle the holders to receive notice of or attend or vote at any general meeting of the Company.

## **6. ISSUE OF SHARES**

- 6.1 Without prejudice to any special rights previously conferred on the holders of any Shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine); and, subject to the provisions of the Acts, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.
- 6.2 Subject to the provisions of these Articles and of the Acts relating to authority, pre-emption rights and otherwise, and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors, who may allot (with or without conferring a right of renunciation), grant options or warrants over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
- 6.3 In extension of the powers conferred upon them by Article 6.2, the Directors are generally authorised, pursuant to and in accordance with section 80 of the 1985 Act, to exercise for each Prescribed Period all the powers of the Company to allot, and to make offers or agreements to allot, relevant securities up to an aggregate nominal amount equal to the Section 80 Amount for such purposes as the Directors think fit.
- 6.4 During each Prescribed Period, the Directors shall be empowered to allot equity securities wholly for cash, pursuant to and within the terms of the said authority:
- 6.4.1 in connection with a Rights Issue; and
- 6.4.2 otherwise than in connection with a Rights Issue, up to an aggregate nominal amount equal to the Section 89 Amount,
- as if section 89(1) of the 1985 Act did not apply to any such allotment.

6.5 By virtue of the authority and power contained in Articles 6.2 and 6.3 the Directors may make offers or agreements prior to the expiry of such authority which would or might require the making of allotments after the expiry thereof.

6.6 For the purposes of this Article 6:

**Rights Issue** means an offer of securities open for a period determined by the Directors to holders of Ordinary Shares on the register on a specified record date in proportion to their then holdings of such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory);

**Prescribed Period** means the date one year after the Adoption Date and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by Article 6.3 is renewed or extended by Ordinary Resolution stating the Section 80 Amount for such period;

**Section 80 Amount** shall for the first Prescribed Period be that stated in the Ordinary Resolution passed at the general meeting at which these Articles were adopted and for any other Prescribed Period shall be stated in the relevant Ordinary Resolution renewing or extending the power conferred by Article 6.2 above, or any increased amount determined from time to time by Ordinary Resolution; and

**Section 89 Amount** shall for the first Prescribed Period be that stated in the Special Resolution passed at the general meeting at which these Articles were adopted and for any other Prescribed Period shall be stated in the Special Resolution renewing or extending the power conferred by Article 6.

6.7 The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person, who shall be a Permitted Transferee, and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

## 7. LIEN

The Company shall have a first and paramount lien on every Share for all moneys (whether immediately payable or not) called or payable at a fixed time in respect of that Share, and the Company shall also have a first and paramount lien on all Shares standing registered in the name of any person, whether he is the sole registered holder thereof or one of two joint holders, for all moneys immediately payable by him or his estate to the Company, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article 7. The Company's lien on a Share shall extend to all dividends payable thereon. In addition, the liability of any Member in default in respect of a call shall be increased

by the addition at the end of the first sentence of Regulation 18 in Table A of the words "*and all expenses that may have been incurred by the Company by reason of such non-payment.*"

## **8. PERMITTED TRANSFERS**

**8.1** Notwithstanding anything to the contrary in these Articles but subject to compliance with the remainder of this Article 8 and Articles 9, 11 and 12, any Member may, with the written consent of the Board, which may be given or withheld in its absolute discretion and with or without conditions, transfer all or part of his or its A Ordinary Shares or B Ordinary Shares to any of the following persons:

**8.1.1** trustees to be held upon a Family Trust (and where Shares are held by trustees of a Family Trust, to any trustees of that Family Trust of which he is the settlor) or nominees to hold on their behalf; or

**8.1.2** to the trustees or the provider of a Member's SIPP, to be held on trust under the terms of such Member's SIPP, subject to Article 8.5; or

**8.1.3** where the Member is the Jersey SPV, to the members of the Jersey SPV by way of a distribution in specie on a winding up of the Jersey SPV.

**8.2** Notwithstanding anything to the contrary in these Articles where any A Ordinary Shares or B Ordinary Shares are held by trustees pursuant to a Family Trust or to a Member's SIPP such shares may be transferred without restriction as to price or otherwise:

**8.2.1** at any time to the Original Member who is the settlor of the Family Trust or to another Family Trust of which the Original Member is the settlor;

**8.2.2** on any change of trustees or the providers, to the new or remaining trustees or providers of that Family Trust or Member's SIPP (as the case may be) or to any nominee of such Family Trust or Member's SIPP; and

**8.2.3** (with the written consent of the Board which may be given or withheld in its absolute discretion and with or without conditions) by the trustees of a Family Trust to any person (other than a charity) becoming entitled to the same under the terms of the Family Trust;

**8.3** Notwithstanding anything to the contrary in these Articles, Ordinary Shares may be transferred by transmission to a Family Member following the death of a Member.

**8.4** Notwithstanding anything to the contrary in these Articles, Ordinary Shares may be transferred to the trustees of an EBT, and where any Shares are held by the trustees of the EBT, those Shares may be transferred by any such trustees (without restriction as to price or otherwise and any such transfers shall be registered by the

Board) on any change of trustees or nominees to the new or remaining trustees of that EBT or to a new nominee or to any beneficiary of the EBT.

- 8.5 Notwithstanding anything to the contrary in these Articles, Ordinary Shares may be transferred to the trustees of the HSIP, and where any Shares are held by such trustees, those Shares may be transferred by any such trustees (without restriction as to price or otherwise and any such transfers shall be registered by the Board) on any change of trustees or nominees to the new or remaining trustees of the HSIP or to a new nominee or to any beneficiary of such trust.

- 8.6 Ordinary Shares may only be transferred to a Member's SIPP:

8.6.1 where the Board is satisfied (and has confirmed to the relevant Member in writing that this is the case) that the proposed transferee Member's SIPP is one which is on the Company's approved panel for SIPP trustees, as such panel is identified by the Board from time to time; and

8.6.2 where the Member or trustee of a Family Trust or of a Member's SIPP proposing to make such a transfer complies with any other requirements as may be stipulated in writing by the Board to such person.

- 8.7 For the purpose of ensuring that a particular transfer of Shares is permitted under these Articles, the Board may require the transferor or the person named as the transferee in any stock transfer form lodged for registration with the Company, to furnish the Company with such information and evidence as the Board reasonably request to identify the transferee and if the information or evidence is not provided to the Board within 28 days after such request or, if it has been provided within this period but is not satisfactory to the Board, the Board shall be entitled to refuse to register the transfer.

## **9. COMPULSORY TRANSFERS**

- 9.1 If (a) any Member who (i) holds Shares transferred to that Member under Article 8.1, 8.2, 8.4 or 8.5 or (ii) who holds Shares in respect of which an Employee is an Original Member within paragraph (ii) of the definition of Original Member in Article 2.1, is not, or ceases to be within one of the categories in Article 8.1 above enabling the Member to qualify as a Permitted Transferee of the Original Member or (b) in the case of Shares held by Trustees of a Family Trust there cease to be any beneficiaries of the Family Trust other than a charity or charities and, in each case, that Member does not, prior to such event, transfer all such Shares registered in its name to the Original Member, or to another person who is eligible to be the Permitted Transferee of the Original Member, the Member shall without delay notify the Company that such event has occurred. If it comes to the notice of the Board that such circumstances apply, the Board may serve a notice on the Member, requiring the Member (i) to transfer such Shares to the Original Member or if the Board agrees to any person to whom the Original Member could have transferred Shares pursuant to Article 8.1 and (ii) to execute and deliver a share transfer form

accordingly to the Company, accompanied by the relevant share certificate, within 21 days or such longer period as the Board may specify (the **Transfer Back Period**). If at the end of the Transfer Back Period the Shares have not been transferred in accordance with this Article, then the Member may at any time or times be given a written notice by the Company deeming that Member to have given a Transfer Notice in respect of all such Shares, or such lesser number of Shares as is specified in the Company's notice.

9.2 A Deemed Transfer Notice shall be deemed to have been given on the Cessation Date in respect of a Leaver over his entire holding of Leaver Shares.

9.3 Any Leaver Shares retained for the reason that such Leaver Shares remain the subject of a Deemed Transfer Notice (but which Leaver Shares have not been subsequently transferred) shall, on the date on which the Transfer Notice is deemed to have been given or, if after, on acquisition, automatically convert into Non-Participating Shares, and a Member holding such Shares shall forthwith become a **Non-Participating Member** in respect of the Non-Participating Shares only.

9.4 If any Leaver Shares (or Non-Participating Shares) or Shares which are subject to a Deemed Transfer Notice pursuant to Article 9.1 have not been acquired pursuant to the transfer provisions in Article 10, they shall be regarded as still being subject to a Deemed Transfer Notice and shall automatically continue to be subject to Article 10.4 for each succeeding Transfer Period.

## **10. PRE-EMPTION RIGHTS ON TRANSFER**

10.1 Save in relation to a transfer of Shares pursuant to Articles 8, 9, 11 or 12, the Board shall refuse to register a transfer of any Share unless such transfer is permitted by or is made pursuant to Articles 8, 9, 11 or 12 or in accordance with the remaining provisions of this Article 10.

10.2 If a Member at any time attempts to transfer any Ordinary Shares or any interest therein otherwise than in accordance with the provisions of these Articles, he shall be deemed immediately prior to such attempt to have served the Company with a Transfer Notice in respect of such Shares.

10.3 Where a Transfer Notice in respect of any Share is deemed to have been served on the Company and the circumstances are such that the Board is unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the Board on the date on which the Board confirms in writing that it has received actual notice of such facts.

10.4 Except as provided in these Articles, every Member who wishes to transfer any interest in Shares must serve a Transfer Notice (such Transfer Notice only to take effect at the commencement of the next following Transfer Period after the date of such Transfer Notice, if served outside a Transfer Period) on the Board and any Member who is required by these Articles to transfer any interest in Shares will be

deemed to have served a Deemed Transfer Notice, (such Deemed Transfer Notice only to take effect at the commencement of the next following Transfer Period after if it has been deemed to be served, if outside a Transfer Period).

10.5 A Transfer Notice shall specify:

10.5.1 the number and class of Transfer Shares;

10.5.2 whether or not the Seller wishes to impose a condition that unless all the Transfer Shares are sold pursuant to the following provisions of this Article 10 none shall be so sold (a **Total Transfer Condition**), but a Deemed Transfer Notice may not contain a Total Transfer Condition.

10.6 On or before the commencement of a Transfer Period the Board shall send a copy of a Deemed Transfer Notice (a) in respect of a Leaver, to all those persons whom it believes to hold Leaver Shares, and (b) in respect of any other person, to that person, and, in each case, specifying the number and class of Transfer Shares.

10.7 No later than the start of a Transfer Period (or if later within 20 Business Days of the receipt of a Transfer Notice) the Board shall procure that the Transfer Price shall have been determined in accordance with Articles 10.8, 10.9 or 10.11 (as the case may be).

10.8 Subject to Article 10.9, where the Transfer Shares are A Ordinary Shares, the Transfer Price shall be determined by the CPA, and, subject to the following, the Transfer Price as so determined will be fixed for a period of one year commencing on the date of such determination as made from time to time, except in circumstances where the Board determines in its absolute discretion that the condition of the Company's business or the markets in which it operates have undergone such a change that the Transfer Price (as determined by the CPA from time to time in accordance with these Articles) is no longer appropriate, in which circumstances the Transfer Price shall be the amount per Transfer Share as determined by the Board in consultation with the CPA until such time the CPA makes the next following determination in accordance with this Article 10.8. The CPA or the Board shall pay due regard to the amount of the Company's funds under management, turnover, profitability, balance sheet structure and gearing, market conditions and the level and timing of the Company's anticipated return on its capital expenditure investments made or planned to be made in the period immediately preceding or following the date of the CPA's determination, in each case as such items are current at the date of the determination. The CPA shall determine the Transfer Price without regard to the fact that the Transfer Shares are subject to the restrictions on transfer contained in these Articles and on the bases that (i) the Transfer Shares are to be sold by a willing seller to a willing buyer, and that (ii) no discount shall be applied by virtue of the fact that the Transfer Shares may represent a minority interest in the capital of the Company.

- 10.9 In the case of Leaver Shares, the Transfer Price shall be the lower of (i) the amount per share determined by the CPA under Article 10.8 which is current at the Cessation Date and (ii) the Subscription Price. Leaver Shares may be transferred pursuant to the provisions of Article 10.13 but not otherwise pursuant to this Article 10.
- 10.10 In the case of Shares subject to a Deemed Transfer Notice under Article 9.1, the Transfer Price shall be the Transfer Price as determined from time to time pursuant to the provisions of Article 10.8, as such Transfer Price stands as so determined at the date of the Deemed Transfer Notice. Any Shares which are subject to a Deemed Transfer Notice under Article 9.1 that are B Ordinary Shares may be transferred pursuant to the provisions of Article 10.11 but not otherwise pursuant to Article 10.
- 10.11 Where the Transfer Shares are B Shares which are not Leaver Shares, the Transfer Price shall be determined by private treaty made between the Seller and a buyer (which, in these circumstances, may be any Member or any Eligible Employee (or any Permitted Transferee of either) but no other person) for the sale and purchase of such Transfer Shares, such private treaty party and the price per Transfer Share applicable to be subject to Board approval.
- 10.12 A Transfer Notice or a Deemed Transfer Notice shall constitute the Company as agent of the Seller for the sale of the Transfer Shares at the Transfer Price and in accordance with these Articles. Once a Transfer Notice has been given, it may be revoked only in accordance with these Articles. Deemed Transfer Notices may not be revoked.
- 10.13 Any Transfer Shares being sold by reason of Article 10.4 or Leaver Shares shall at any time (whether within a Transfer Period or otherwise) at the discretion of the Board first be offered to one or more of the Company and/or to the trustees of the EBT at the relevant Transfer Price within 5 Business Days (the **Company/EBT Offer Period**) of the later of (i) the receipt of a Transfer Notice or (ii) in the case of any Deemed Transfer Notice when deemed to be given or (iii) upon the determination of the Transfer Price by the CPA pursuant to Article 10.8 (the **Company/EBT Offer**). Any Transfer Shares not sold under this Article 10.13 to the Company or the EBT within 5 Business Days of being offered to the Company or to the trustees of the EBT (as applicable) will be available for sale to the Members of the Company (other than the Seller and other than any Non-Participating Members in respect of the Non-Participating Shares held by them or their Family Trusts) and Eligible Employees in accordance with Articles 10.14 to 10.25.
- 10.14 Immediately on the expiry of the Company/EBT Offer Period, the Board shall enquire of any Significant Shareholder Directors to what extent any of them would, if so offered, accept an offer and purchase any amount of the Transfer Shares not purchased by the Company or the EBT pursuant to Article 10.13, on the basis that these were to be offered to him in such proportion as his holding of Ordinary Shares bears to the total number of Ordinary Shares in issue (excluding for this purpose the amount of the Transfer Shares and the amount of the Non-Participating Shares in

issue as at the date of the Transfer Notice or Deemed Transfer Notice) (the **SSD Proportion Shares**). If any Significant Shareholder Director informs the Board in response to such enquiry that he would, in such circumstances, accept any amount less than his SSD Proportion Shares, then such amount of the Transfer Shares (the **Renounced Shares**) shall be available to be offered to Members and Eligible Employees in accordance with this Article 10.

- 10.15 Subject to Articles 10.16 and 10.17, the Company shall as soon as practicable, following the commencement of a Transfer Period and following the later of (i) receipt of a Transfer Notice or (ii) in the case of any Deemed Transfer Notice, the date on which it was deemed to have been given or (iii) upon the determination of the Transfer Price by the CPA pursuant to Article 10.8 or (iv) following any invitation and acceptance or the expiry of the period in each case under Article 10.13, give notice (the **Notice**) in writing to (A) each of the Members and/or Eligible Employees (other than (a) the Seller, and (b) any Non-Participating Members in respect of the Non-Participating Shares held by them or their Family Trust or Family Members) and (B) for the purposes of Article 10.18, each of the Company, the EBT and any Significant Shareholder Director. The Notice shall contain details of the amount of Transfer Shares which are available for each Applicant to purchase in accordance with this Article 10, detail the Transfer Price per Share and state whether or not there is a Total Transfer Condition, and offer the Available Shares and the Renounced Shares (if any) in such proportions as between the Members and the Eligible Employees as shall be determined in accordance with Articles 10.16 and 10.17.
- 10.16 Where there are no Renounced Shares available (because all of the Significant Shareholder Directors informed the Board that they would purchase the entire amount of their SSD Proportion for the purposes of Article 10.14), then the Transfer Shares shall be offered in the following proportions as between the Eligible Employees and the Members: an amount, not exceeding 25% of the amount of Transfer Shares available (such amount to be determined in the discretion of the Remuneration Committee), to Eligible Employees; the balance (being not less than 75% of the amount of the Transfer Shares available) to the Members (other than (a) the Seller, and (b) any Non-Participating Members in respect of the Non-Participating Shares held by them or their Family Trust or Family Members).
- 10.17 Where there are any Renounced Shares available (because any Significant Shareholder Director informed the Board that he would purchase an amount less than his SSD Proportion Shares for the purposes of Article 10.14), then the Transfer Shares shall be offered in the following proportions as between the Members and the Eligible Employees: the Eligible Employees shall be offered in aggregate Transfer Shares not exceeding an amount which is equal to the greater of (i) an amount (to be determined in the discretion of the Remuneration Committee), not exceeding 25% of the Transfer Shares available and (ii) an amount (to be determined in the discretion of the Remuneration Committee) of the Renounced Shares (provided that the aggregate amount of Transfer Shares to be offered to



Eligible Employees shall not exceed 50% of the amount of Transfer Shares available); the balance (being not less than 50% of the Transfer Shares available) to the Members.

- 10.18 Subject to Articles 10.16 and 10.17, the Notice shall invite each Applicant within 10 Business Days of the date of the Notice to state (i) (in the case of any Applicant who is a Member, other than a Significant Shareholder Director who informed the Board for the purpose of Article 10.14 that he would accept less than his SSD Proportion Shares, who shall be invited to purchase for the purposes of this Article 10.18, the amount of his SSD Proportion Shares less the amount of any Renounced Shares) whether he is willing to purchase such proportion of the Transfer Shares offered as his holding of Ordinary Shares bears to the total number of Ordinary Shares in issue (other than the Transfer Shares) and held by Applicants who are Members at the date of the Notice, and (in the case of any Applicant who is an Eligible Employee) whether he is willing to purchase the amount of Transfer Shares offered to him (as between the Eligible Employees, the amount of Transfer Shares to be offered to an Eligible Employee shall be determined by the Remuneration Committee, in its absolute discretion), in each case in accordance with the details set out in the Notice (the **Primary Entitlement**) at the Transfer Price (or if he is prepared to take a lesser amount than the Primary Entitlement at the Transfer Price); and (ii) on the basis that part only and not all of the Transfer Shares so offered may be accepted by Applicants at the Transfer Price in accordance with their Primary Entitlements, what amount of Transfer Shares in excess of his Primary Entitlement (if any) he would be prepared to purchase in such circumstances at the Transfer Price or at a price per share which is less than the Transfer Price (the **Second Offer Round**). For the purposes of the Primary Entitlement, to the extent that any Eligible Employee does not accept the offer to purchase any amount of the Renounced Shares, then such Renounced Shares shall be offered to the Significant Shareholder Director who had informed the Board that he would accept an amount less than his SSD Proportion Shares for the purposes of Article 10.14, which such information had produced such Renounced Shares.
- 10.19 Within 10 Business Days of the date of the Notice, each of the Company, the EBT and any Significant Shareholder Director shall state to what extent it would be prepared to purchase any amount of Transfer Shares at the Transfer Price or at a price per share which is less than the Transfer Price, on the basis that part only and not all of the Transfer Shares and/or the Renounced Shares offered pursuant to the Primary Entitlement may be accepted; each of the Company, and/or the EBT and/or any Significant Shareholder Director shall therefore be entitled to participate in the Second Offer Round.
- 10.20 Transfer Shares offered pursuant to the Second Offer Round (if any) shall be offered for sale by the Company as agent of the Seller on terms that the price per Transfer Share for the purposes of transfers pursuant to the Second Offer Round shall be the highest price per Transfer Share at which all the available Transfer Shares would be sold pursuant to the Second Offer Round (the **Tender Transfer Price**) and, in the

event of competition between persons for the Transfer Shares pursuant to the Second Offer Round at a price per share which is less than the Transfer Price and for an amount of Transfer Shares at the Tender Transfer Price in excess of the amount of Transfer Shares offered, the Transfer Shares offered shall be sold to those persons accepting the offer in such proportion (as nearly as may be) as such person's application to purchase Transfer Shares in the Second Offer Round at the Tender Transfer Price or above bears to the aggregate amount of Transfer Shares applied for pursuant to the Second Offer Round at the Tender Transfer Price or above.

- 10.21 Within 5 Business Days of the period in which the offer for the Transfer Shares had to be accepted pursuant to Article 10.18, the Company shall notify each person who has accepted the offer (a **Confirmed Applicant**), whether pursuant to the Primary Entitlement or the Second Offer Round, the number of Transfer Shares which have been allocated to each such Confirmed Applicant and shall, at the same time, notify the Seller of the number of Transfer Shares being allocated to each such Confirmed Applicant and the applicable price at which such Transfer Shares will be sold, which may be the Transfer Price or the Tender Transfer Price (as the case may be). In each case the Company shall notify to each of the Confirmed Applicants the place and the date on which completion of the Transfer Shares shall take place (which shall be no later than 10 Business Days following the date of such notification) (**Completion**).
- 10.22 Where the Seller imposed a Total Transfer Condition, and not all his Transfer Shares offered have been accepted at the Transfer Price, the Seller must, within 3 Business Days of the date of the Company's notice pursuant to Article 10.21, elect (by notice in writing to the Company) either (i) to revoke the Transfer Notice and withdraw the offered Transfer Shares from sale; or (ii) to transfer at the Tender Transfer Price all of the Transfer Shares which were the subject of his Transfer Notice pursuant to Article 10.4. If no such election is made by the Seller within such period, the Transfer Notice shall be deemed to have been revoked and the offered Transfer Shares withdrawn from sale.
- 10.23 Where the Seller did not impose a Total Transfer Condition, and not all his Transfer Shares offered have been accepted at the Transfer Price, the Seller must (by notice in writing to the Company), within 3 Business Days of the date of the Company's notice pursuant to Article 10.21, elect either (i) to revoke the Transfer Notice and withdraw the offered Transfer Shares from sale; or (ii) specify a number of Transfer Shares to transfer at the Tender Transfer Price up to the total number of Transfer Shares which were the subject of his Transfer Notice pursuant to Article 10.4. If no such election is made by the Seller within such period, the Seller shall be deemed to have elected to sell all of the Transfer Shares which were the subject of his Transfer Notice pursuant to Article 10.4 at the Tender Transfer Price.
- 10.24 On Completion, the Seller shall become bound upon payment of the Transfer Price or Tender Transfer Price (as the case may be) to transfer to each Confirmed Applicant those Transfer Shares accepted by such Confirmed Applicant.

10.25 If any person having become bound to transfer any Shares defaults in transferring such Shares in accordance with these Articles:

10.25.1 the Board may authorise some person (who is, as security for the performance of the Member or transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the Member or transferor for this purpose) to execute the necessary instrument of transfer of such Shares and may deliver it on his behalf;

10.25.2 subject to such instrument being duly stamped, the Company shall cause the purchaser to be entered into the register of members of the Company as holder of such Transfer Shares and it shall be no impediment to registration of shares under this Article 10.25 that no share certificate has been produced by any such defaulting Member or transferor.

## **11. TAG ALONG**

11.1 Notwithstanding anything to the contrary in these Articles, in the event that Members holding 50.1% or more of the issued Ordinary Shares wish to sell their Shares (the **Vendors**) to a bona fide arms' length purchaser (the **Third Party Purchaser**), the Vendors shall give a notice of this fact to all other Members (the **Tag Along Members**), and to the Board and such notice shall contain details of the consideration per Share offered by the Third Party Purchaser to the Vendors and the date on which the sale and purchase of the Shares by the Vendors to the Third Party Purchaser is proposed to be completed.

11.2 On receipt of a notice from the Vendors pursuant to Article 11.1, the Tag Along Members shall, for a period of 30 days from the date of receipt of such notice, have the right (the **Tag Along Right**) exercisable by notice in writing (the **Tag Along Notice**) given to the Vendors by the Tag Along Members to require the Vendors to procure that the Third Party Purchaser shall make an offer to the Tag Along Members to acquire the entire holdings of Shares of the Tag Along Members on terms that the consideration per Share offered by the Third Party Purchaser shall be the same as the price per Share at which the Vendors propose to sell their Shares to the Third Party Purchaser, and that the date on which the sale and purchase of the Shares will be completed shall be the same date as the date on which the Vendors propose to sell their Shares to the Third Party Purchaser.

11.3 A Tag Along Notice once given shall be irrevocable but shall lapse in the event that for any reason the Vendors do not transfer their Shares to Third Party Purchaser within 60 Business Days of the Tag Along Notice. The Tag Along Members shall be entitled to serve further Tag Along Notices following the lapse of a Tag Along Notice.

## **12. DRAG ALONG**

**12.1** Notwithstanding anything to the contrary in these Articles, in the event that Members holding 50.1% or more of the issued Ordinary Shares wish to sell their Shares (the **Vendors**) to a bona fide arms' length purchaser (the **Third Party Purchaser**), the following shall apply:

**12.1.1** the Vendors shall have the right (the Drag Along Right) to require all other Members (the Called Members) to accept in full the offer made to them and sell their Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article.

**12.1.2** the Drag Along Right may be exercised by the Vendors serving notice (the Drag Along Notice) on the Called Members and to the Board at any time which shall specify:

- (a) that the Called Members are required to transfer all of their Shares whether acquired before or after receipt of the Drag Along Notice (the Called Shares);
- (b) the identity of the Third Party Purchaser and the identity of any person owning or controlling that third party to whom the Called Shares must be transferred;
- (c) the consideration (the **Offer Price**) per Share for which the Called Members shall be obliged to sell (which shall be the same as the price per Share at which the Vendors propose to sell their Shares to the Third Party Purchaser); and
- (d) the date on which the sale and purchase of Shares will be completed (which shall be the same date as the date on which the Vendors propose to sell their Shares to the Third Party Purchaser).

**12.2** A Drag Along Notice once given shall be irrevocable but shall lapse in the event that for any reason the Vendors do not transfer their Shares to Third Party Purchaser within 60 days of the Drag Along Notice. The Vendors shall be entitled to serve further Drag Along Notices following the lapse of a Drag Along Notice.

**12.3** Each of the Called Members shall be bound to transfer his Shares which are subject to the Drag Along Notice. In the event that any Called Member fails to complete the sale of any of his Called Shares or otherwise fails to take any action required of him or her under the terms of the offer, then the defaulting Called Member shall be deemed to have irrevocably appointed any Director to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares, deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the Directors shall register the Third Party Purchaser (or as they

may direct) as the holder thereof. It shall be no impediment to registration of shares under this Article 12.3 that no share certificate has been produced by any such defaulting Called Member.

- 12.4 If, after any service of a Drag Along Notice, any person becomes a new Member (which shall also include any person who acquires Ordinary Shares which are issued on exercise of options granted under the Option Scheme (or otherwise) where such exercise is made in contemplation of the offer or completion of the offer by the Third Party Purchaser) (a **New Member**), there shall be deemed to be served on such New Member a Drag Along Notice on the same terms as any previous Drag Along Notice. The New Member shall be bound to transfer all such Shares held by it to the Third Party Purchaser (or as directed by it) and the provisions of this Article 12 shall apply to the New Member except that completion of the sale of the New Member's Shares to the Third Party Purchaser shall be on the later of (a) the date the Drag Along Notice is deemed served on it or (b) the completion of the sale of the Vendors' Shares to the Third Party Purchaser.

### **13. GENERAL MEETINGS**

- 13.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice convening the meeting. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the directors shall appoint.
- 13.2 At least 21 days notice shall be given in the case of an annual general meeting, unless shorter notice is agreed by the Members in accordance with the Acts.
- 13.3 The accidental omission to give notice of a general 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 general meeting.
- 13.4 A member who attends any general meeting either in person or by proxy or by duly authorised representative is considered to have received notice of the meeting and, if required, of the purpose for which it was called.

### **14. PROCEEDINGS AT GENERAL MEETINGS**

- 14.1 The quorum for meetings of the Members shall be two persons entitled to vote upon the business to be transacted each being a Member or a proxy for a Member or a duly authorised representative of a corporation shall be a quorum.
- 14.2 A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 14.3 In Regulation 62 of Table A (time for deposit of proxy) the words "*not less than 48 hours*" and "*not less than 24 hours*" shall be deemed to be deleted.

## **15. APPOINTMENT, RETIREMENT AND ALTERNATES OF DIRECTORS**

- 15.1 The number of the Directors shall not be less than three nor greater than eight.
- 15.2 The Board shall have the right to appoint a person who is willing to act as a Director as an additional Director. The last sentence of Regulation 84 shall not apply to the Company.
- 15.3 At the first annual general meeting of the Company all the Directors (other than Directors holding 15% or more of the Company's issued equity share capital, whether by him personally or by his Family Trust or Member's SIPP (a **Significant Shareholder Director**)) shall retire from office, and at every subsequent annual general meeting one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire. No person other than a Director retiring by rotation shall be appointed or reappointed a Director at any general meeting of the Company unless he is recommended by the Directors.
- 15.4 Subject to the provision of the Acts and Article 15.3, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 15.5 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- 15.6 Any Director may appoint any other Director or, upon giving the Company notice and subject to the approval of the majority of the Board, any other person to act as an alternate Director, and such alternate Director shall be entitled to receive notice of any meetings of the Board, vote and exercise all such rights and powers as any other Director. An alternate Director may be appointed on behalf of more than one Director and in which case he shall be counted as one Director for the purposes of determining a quorum but shall have (in addition to his own vote) an additional number of votes by reference to the number of Directors who have appointed him an alternate.
- 15.7 An alternate Director shall not in any way be deemed to be an agent of the Director(s) so appointing him.

- 15.8 If at any time a Director ceases to hold office as a Director his alternative Director shall immediately cease to hold office. At all other times, a Director may at any time replace its alternate Director by appointing another in his place (subject to notice to the Company and the consent of the majority of the Board).
- 15.9 A Director shall hold office until he is either removed in the manner provided by this Article 15 or vacates office pursuant to Regulation 81 (as modified by Article 14) and neither the Company in general meeting nor the Directors shall have power to fill any such vacancy.
- 15.10 Notwithstanding any other provision of these Articles, the holders for the time being of 50% or more of the Company's issued equity share capital may, having given the Board 5 Business Days written notice of their intention to do so (a **Director Removal Notice**), remove any persons as Directors of the Company by delivery of a written notice to the Company, such appointment or removal to take effect on delivery to the Company at its registered office. A Director Removal Notice shall not be required to be given in any circumstances deemed by the holders of 50% or more of the Company's issued equity share capital to be exceptional.
- 15.11 Nothing in these Articles shall operate to cause a Significant Shareholder Director to be subject to retirement by rotation

## **16. PROCEEDINGS OF DIRECTORS**

- 16.1 A quorum for the transaction of the business of the Directors shall be two Directors, of whom one shall be a Significant Shareholder Director.
- 16.2 Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.
- 16.3 Meetings of the Directors shall be called on seven days' notice in writing and the notice of meeting shall be accompanied by a written agenda specifying the business to be transacted at the meeting together with all papers to be circulated or presented to the meeting, in sufficient detail as will reasonably enable the Directors to consider the proposed business in advance of the meeting.
- 16.4 Any Director or member of a committee of Directors may participate in a meeting of the Directors or such committee by means of conference telephone or other communications equipment (including televisual means) which allows all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute persons present at such meeting and shall be entitled to vote or be counted in the quorum accordingly and a resolution passed by majority of the said Directors shall be as valid as it would have been if passed by them at an actual meeting convened and held.

- 16.5 A resolution in writing signed by all of the Directors entitled to receive notice of a meeting of Directors shall have the effect as if it had been passed at duly convened meeting of Directors.

**17. DIRECTORS' INTERESTS**

- 17.1 Subject to the provisions of the Acts a Director who is interested in any contract or transaction (whether directly or indirectly) may vote on any such matter and accordingly his vote shall be counted in the necessary quorum provided that he has disclosed the nature of his interest at a meeting of the Directors in accordance with the provisions of the Acts.

- 17.2 For the purposes of this Article 17 an interest of a person who is, for any purpose of the Acts (excluding any statutory modification not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

**18. CONFLICTS OF INTEREST**

- 18.1 If a situation arises in which a Director has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company (a **Relevant Situation**) the Directors may, for the purposes of section 175 of the 2006 Act, resolve to authorise:

18.1.1 if a Relevant Situation arises from the appointment or proposed appointment of a person as a Director, the appointment of the Director and the Relevant Situation, subject to any limits or conditions which the Directors may determine;

18.1.2 if the Relevant Situation arises in circumstances other than as set out in Article 18.1.1, the Relevant Situation and the continuing performance by the Director of his duties, subject to any limits or conditions which the Directors may determine,

and any such authorisation will be subject only to any limits or conditions which the Directors expressly impose.

- 18.2 The interested Director, and any other Director with a similar interest, cannot vote, or be counted in the quorum, on a resolution to authorise his interest under Article 18.1.

- 18.3 Any reference in Article 18.1 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

- 18.4 Any limits or conditions determined by the Directors under Article 18.1 may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):



- 18.4.1 whether the interested Director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
  - 18.4.2 the exclusion of the interested Director(s) from all information and discussion by the company of the Relevant Situation; and
  - 18.4.3 the imposition of a specific duty of confidentiality for any confidential information of the company relating to the Relevant Situation.
- 18.5 An interested Director must act in accordance with any limits or obligations imposed by the Directors under Article 18.1.
- 18.6 Subject to Article 18.2, any authorisation under Article 18.1 shall be dealt with in the same way as any other matter that may be decided by the Directors under these Articles.
- 18.7 Any authorisation of a Relevant Situation given by the Directors under Article 18.1 may provide that, where the interested Director obtains (other than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it in relation to the company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 18.8 Whilst there is a Relevant Situation, the general duties which the interested Director owes to the company under sections 171 to 177 of the 2006 Act will not be infringed if he:
  - 18.8.1 absents himself from meetings of the Directors or from the discussion of any matter at a meeting relating to the Relevant Situation; and/or
  - 18.8.2 makes arrangements for papers to be received and read by a professional adviser on his behalf which may relate to the Relevant Situation; and/or
  - 18.8.3 behaves in any other way authorised by any guidance which may be issued by the Directors from time to time.
- 18.9 Subject to any restrictions or conditions that may be imposed by the Directors from time to time:
  - 18.9.1 references to "company" in Regulation 85 of Table A shall be deemed to include references to any member of the Group; and
  - 18.9.2 where a Relevant Situation arises because a Director is also a director of another member of the Group, such Relevant Situation shall be deemed to have been authorised pursuant to section 175 of the 2006 Act.

## **19. DIRECTOR POWERS AND REMUNERATION**

- 19.1 The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital of any part thereof and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, debentures, debenture stock and other securities may be made assignable free from any equities between the Company and any person to whom the same may be issued. Any debentures or debenture stock may be issued at a discount, premium or otherwise and with any special rights as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors or otherwise.
- 19.2 The Directors may exercise the powers of the Company conferred by the memorandum of association of the Company and shall be entitled to retain any benefits by them or any of them by reason of the exercise of any such powers.

## **20. DISQUALIFICATION OF DIRECTORS**

- 20.1 The office of a Director shall be vacated if he shall, for whatever reason, cease to be employed by or contracted to provide services to the Company or the Group in any such capacity.
- 20.2 The word "*automatically*" shall be inserted before the word "*vacated*" in the first line of Regulation 81.

## **21. SECRETARY AND SEAL**

- 21.1 Where any statutory provision or these Articles require or authorise a thing to be done by or to a Director and the secretary of the Company, the provision shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, the secretary of the Company.
- 21.2 Regulation 6 of Table A shall be modified so as to remove the requirement for share certificates to be sealed and Regulation 101 of Table A shall be modified accordingly.

## **22. PARTLY PAID SHARES**

- 22.1 The liability of any Shareholder in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".
- 22.2 If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price.

## **23. NOTICES**

**23.1** Without prejudice to Regulations 112 to 116 inclusive in Table A but subject to Article 23.2, the Company may give notice to a member by using electronic means provided that:

**23.1.1** the member has given his consent in writing to receiving notice communicated by electronic means and in such consent has set out an address to which the notice shall be sent by electronic means; and

**23.1.2** the communication in electronic form used by the Company enables the member concerned to read the text of the notice.

**23.2** A notice given to a Member by electronic means shall be deemed to be given on the day on which it was despatched by electronic means and Regulations 112 to 115 shall be modified accordingly.

## **24. INDEMNIFICATION OF OFFICERS**

**24.1** Subject to the Acts but without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a Director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified, and any person who is or was a director of any associated company (other than any person engaged by the Company as auditor) may be indemnified and may be kept indemnified, out of the assets of the Company against all costs, charges, losses and liabilities incurred by him from time to time (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the affairs of the Company or any associated company of which he is or was a director, including any liabilities incurred by him in defending any regulatory or other proceedings (civil or criminal) in which judgement is given in his favour, he is otherwise not found to be in breach of his duties or in which he is acquitted or granted relief by the court.

**24.2** Article 24.1 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause Article 24.1, or any part of it, to be treated as void under the Acts.