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COMPANIES HOUSE

COMPANY NUMBER 06853060

THE COMPANIES ACT 2006

UNLIMITED COMPANY

ARTICLES OF ASSOCIATION

OF

THE LONDON APPRENTICESHIP COMPANY

1 Defined terms and interpretation

1.1 Defined terms

In the articles, unless the context requires otherwise

"act"	means the Companies Act 2006;
"acting in concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
"adoption date"	means the date of adoption of these articles;
"articles"	means the company's articles of association;
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"chairman"	has the meaning given in article 3.7.2;
"chairman of the meeting"	has the meaning given in article 8.3.3;
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
"deemed transfer notice"	means a transfer notice that is deemed to have been served under article 5.10;
"director"	means a director of the company, and includes any person occupying the position of director, by whatever name called;

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“distribution recipient”	has the meaning given in article 6.2.2;
“document”	includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form”	has the meaning given in section 1168 of the Companies Act 2006;
“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);
“fair value”	has the meaning given in article 5.13;
“fully paid”	in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
“group”	in relation to a company, that company, any subsidiary or holding company from time to time of that company and any subsidiary from time to time of a holding company of that company;
“hard copy form”	has the meaning given in section 1168 of the Companies Act 2006;
“holder”	in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
“independent expert”	means a person appointed in accordance with article 5.13 to determine the fair value under these articles;
“instrument”	means a document in hard copy form;
“original shareholders”	means Jeremy Hempstead, Graham Howe, Simon Greenleaf and Justin Smith-Essex;
“ordinary resolution”	has the meaning given in section 282 of the Companies Act 2006;
“paid”	means paid or credited as paid;
“participate”	in relation to a directors’ meeting, has the meaning given in article 3.5;
“proxy notice”	has the meaning given in article 9.4.1;
“shareholder”	means a person who is the holder of a share;

“shares”	means shares in the company;
“special resolution”	has the meaning given in section 283 of the Companies Act 2006;
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
“transfer notice”	has the meaning given in article 5.9.3;
“transfer price”	has the meaning given in article 5.13.1;
“transmittee”	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
“writing”	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

1.3 Except where the contrary is stated or the context otherwise requires, any reference in the articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.

1.4 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2. Directors - Directors' Powers and Responsibilities

2.1 Directors' general authority

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

2.2 Shareholders' reserve power

2.2.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

2.2.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

2.3 Directors may delegate

2.3.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the directors generally and shall not be limited by the fact that in certain of the articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the directors or by a committee authorized by the directors.

2.3.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

2.3.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

2.4 Committees

2.4.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

2.4.2 A member of a committee need not be a director.

2.4.3 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

3. Decision-Making by Directors

3.1 Directors to take decisions collectively

3.1.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 3.3.

3.2 If:

3.2.1 the company only has one director, and

3.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

3.3 Unanimous decisions

- 3.3.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 3.3.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 3.3.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 3.3.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3.4 Calling a directors' meeting

- 3.4.1 Any director may call a directors' meeting by giving no less than seven days' notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
 - 3.4.2 Notice of any directors' meeting must indicate:
 - (a) subject to article 3.4.1, its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
 - 3.4.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
 - 3.4.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- ### **3.5 Participation in directors' meetings**
- 3.5.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - (a) the meeting has been called and takes place in accordance with the articles; and

- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 3.5.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 3.5.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 3.6 **Quorum for directors' meetings**
- 3.6.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 3.6.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is three provided that:
 - (a) if and so long as there is only one director the quorum shall be one, and
 - (b) for the purposes of any meeting held pursuant to article [] to authorize a director's conflict, if there is only one director besides the director concerned and directors with a similar interest, the quorum shall be one.
- 3.6.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.
- 3.7 **Chairing of directors' meetings**
- 3.7.1 The directors may appoint a director to chair their meetings.
- 3.7.2 The person so appointed for the time being is known as the chairman.
- 3.7.3 The directors may terminate the chairman's appointment at any time.
- 3.7.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
- 3.8 **Casting vote**

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 3.9 **Transactions or other arrangements with the Company**
- 3.9.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the act, a director who is in any way, whether directly or

indirectly, interested in an existing or proposed transaction or arrangement with the company;

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him) derives from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

3.10 Directors' conflicts

3.10.1 The directors may, in accordance with the requirements set out in this article 3.10, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the act to avoid conflicts of interest (**Conflict**).

3.10.2 Any authorisation under this article 3.10 will be effective only if:

- (a) to the extent permitted by the act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these articles or such other manner as the directors may determine;
- (b) the matter was agreed to with the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

3.10.3 Any authorisation of a Conflict under this article 3.10 may (whether at the time of giving the authorization or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorized;

- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

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

3.10.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

3.10.6 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 derives from or in connection with a relationship involving a Conflict which has been authorised by the director, in accordance with these Articles or by the company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

3.11 **Records of decisions to be kept**

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

3.12 **Directors' discretion to make further rules**

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

4. Appointment of Directors

4.1 Methods of appointing directors

- 4.1.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director with the unanimous consent of the directors of the company.
- 4.1.2 In any case where, as a result of death, the company has no shareholders and no directors, the transmittee of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- 4.1.3 For the purposes of paragraph 4.1.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

4.2 Termination of director's appointment

- 4.2.1 A person ceases to be a director as soon as:
- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
 - (f) he is otherwise duly removed from office.

4.3 Directors' remuneration

- 4.3.1 Directors may undertake any services for the company that the directors decide.
- 4.3.2 Directors are entitled to such remuneration as the directors determine:
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- 4.3.3 Subject to the articles, a director's remuneration may:
- (a) take any form, and

- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

4.3.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

4.3.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

4.4 **Directors' expenses**

4.4.1 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

5. **Shares and Distributions**

5.1 **Shares - All shares to be fully paid up**

No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

5.2 **Powers to issue different classes of share**

Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue and allot shares with such rights or restrictions as may be determined by ordinary resolution.

5.3 **Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

5.4 **Alteration of share capital**

5.4.1 The company may by special resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (b) subdivide its shares, or any of them, into shares of a smaller amount than its existing shares; and
 - (c) reduce its share capital and any share premium account in any way.
- 5.4.2 Where there has been a consolidation or division of shares and, as a result, members are entitled to fractions of shares, the directors may:
 - (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;
 - (b) authorize any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.
- 5.4.3 Where any shareholder's entitlement to a portion of the proceeds of sale under article 5.4.2 amounts to less than a minimum figure determined by the directors, that shareholder's portion may be retained for the benefit of the company.
- 5.4.4 The person to whom the shares are transferred pursuant to article 5.4.2 is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions. The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.
- 5.5 **Acquisition of own shares**

The company may acquire its own shares by purchase or in any other way.
- 5.6 **Share certificates**
 - 5.6.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
 - 5.6.2 Every certificate must specify:
 - (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
 - 5.6.3 No certificate may be issued in respect of shares of more than one class.
 - 5.6.4 If more than one person holds a share, only one certificate may be issued in respect of it.

5.6.5 **Certificates must:**

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

5.6.6 The directors may determine, either generally or in relation to any particular case, that any signature on any certificate need not be autographic but may be applied by some mechanical or other means, or printed on the certificate, or that certificates need not be signed.

5.7 **Replacement share certificates**

5.7.1 If a certificate issued in respect of a shareholder's shares is:

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

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

5.7.2 *A shareholder exercising the right to be issued with such a replacement certificate:*

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

5.8 **Share transfers**

5.8.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

5.8.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

5.8.3 The company may retain any instrument of transfer which is registered.

5.8.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

5.8.5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal together with their reasons for refusal unless they suspect that the proposed transfer may be fraudulent.

5.9 Pre-emption rights on the transfer of Shares

- 5.9.1 In this article 5.9, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 5.9.2 Subject always to article 5.11.7 and article 5.14, the company and the shareholders shall each procure that the pre-emption rights set out in this article 5.9 shall apply to any transfer of Shares.
- 5.9.3 A shareholder (**Seller**) wishing to transfer all or any of his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the company giving details of the proposed transfer including:
- (a) the number of Sale Shares;
 - (b) the name of the proposed buyer (if any);
 - (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**Proposed Sale Price**) and which price shall be finally agreed or determined in accordance with article 5.13.1; and
 - (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold (**Minimum Transfer Condition**).
- 5.9.4 Once given (or deemed to have been given) under these articles, a Transfer Notice may not be withdrawn.
- 5.9.5 A Transfer Notice constitutes the company the agent of the Seller for the sale of the Sale Shares.
- 5.9.6 As soon as practicable following the later of:
- (a) receipt of a Transfer Notice (or in the case of a deemed transfer notice, the date such notice is deemed to be served); and
 - (b) the determination of the Transfer Price,
- the company shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 5.9 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 5.9.7 The company shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 15 business days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares that they wish to buy.

5.9.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 5.9.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.

5.9.9 If:

- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the company shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which each Continuing Shareholder's existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have notified the company of a desire to purchase the Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among those who have applied for Sale Shares shall be determined by the company). No allocation shall be more than the maximum number of Sale Shares which a Continuing Shareholder has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with article 5.9.9(a), but there are applications for Sale Shares that have not been satisfied, the company shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 5.9.9(a). The procedure set out in this article 5.9.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance of the Sale Shares (the **Surplus Shares**) may be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 5.9.14.

5.9.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the company shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 5.9.9 stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

5.9.11 If allocations have been made in respect of some or all of the Sale Shares, the company shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder. The Allocation Notice shall specify the number of Sale Shares allocated to each Continuing Shareholder, the amount payable by each Continuing Shareholder for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares which shall be at least 15 business days, but not more than 25 business days, after the date of the Allocation Notice.

5.9.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Continuing Shareholder, in accordance with the requirements specified in the Allocation Notice.

5.9.13 If the Seller fails to comply with article 5.9.12:

- (a) the company may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Continuing Shareholder;
 - (ii) receive the Consideration and give a good discharge for it (and no Continuing Shareholder shall be obliged to see to the distribution of the Consideration); and
 - (iii) (subject to the transfers being duly stamped) enter the Continuing Shareholders' name in the register of members as the holders of the Sale Shares purchased by them; and
- (b) the company shall pay the Consideration into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the company, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the company may reasonably require to prove good title to those Sale Shares, to the company.

5.9.14 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 5.9.10 then, within 8 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Surplus Shares or the Sale Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The transfer of Sale Shares following the lapse of a Transfer Notice in accordance with this article 5.9.14 shall continue to be subject to any Minimum Transfer Condition.

5.10 Compulsory transfers

5.10.1 A shareholder is deemed to have served a Transfer Notice immediately before any of the following events:

- (a) a bankruptcy petition being presented for the shareholder's bankruptcy, or an arrangement or composition being proposed with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;
- (b) the shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the company or his shareholding;
- (c) a shareholder committing a material or persistent breach of these articles or the shareholders' agreement; or

- (d) if a company that is a shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a deemed transfer notice in respect of all Shares held by it at such time as the directors determine.
- 5.10.2 In the event that a shareholder is subject to any of the events described in article 5.10.1, a Transfer Notice shall immediately be deemed to have been served on the company by that shareholder in respect of all shares held by that shareholder.
- 5.10.3 A deemed transfer notice has the same effect as a Transfer Notice and the provisions of article 5.9 shall apply, except that:
 - (a) the deemed transfer notice shall be treated as having specified that the Seller wishes to transfer all the shares held by him and is not subject to a Minimum Transfer Condition; and
 - (b) the deemed transfer notice takes effect on the basis that it does not identify a proposed buyer and the price for the Seller's shares shall be the price that is agreed or determined in accordance with article 5.13; and
 - (c) completion shall be at least 6 months after the date of the Deemed Transfer Notice.
- 5.11 **Tag Along**
 - 5.11.1 After first giving a Transfer Notice and going through the procedure set out in article 5.9, the provisions of article 5.11.2 to article 5.11.7 shall apply if a Seller proposes to transfer all or any of his Shares (**Proposed Transfer**) to a person who is not a shareholder (**Buyer**), except where a transfer of shares is permitted pursuant to article 5.14.
 - 5.11.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the Continuing Shareholders to purchase the shares held by the Continuing Shareholders for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer (**Specified Price**).
 - 5.11.3 The Offer shall be made by written notice (**Offer Notice**), at least 15 business days before the proposed date for completion of the Proposed Transfer (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
 - (a) the identity of the Buyer;
 - (b) the Specified Price and any other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) subject to article 5.11.4, the number of shares subject to the Proposed Transfer (**Offer Shares**).

- 5.11.4 Where the Seller is proposing to transfer only part of his shares the Continuing Shareholders may elect that the Buyer purchases either:
- (a) all of the shares held by the Continuing Shareholders; or
 - (b) such proportion of the Continuing Shareholder's shares as is equal to the proportion of the Seller's shares that are included in the Proposed Transfer.
- 5.11.5 If the Buyer fails to make the Offer to all of the Continuing Shareholders in accordance with article 5.11.2 and article 5.11.3, the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 5.11.6 If the Offer is accepted by any Continuing Shareholders (**Accepting Shareholder**) in writing within 15 business days of receipt of the Offer Notice (such written acceptance to confirm the number of shares that the Continuing Shareholder wishes to sell under article 5.11.4), the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the shares held by Accepting Shareholders.
- 5.11.7 The Proposed Transfer is subject to the pre-emption provisions in article 5.9, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.
- 5.12 **Drag along**
- 5.12.1 If the holders of 75% of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their shares (**Selling Shareholders' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require the other Shareholder(s) (**Called Shareholder(s)**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 5.12 (**Drag Along Option**).
- 5.12.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder(s) (**Drag Along Notice**) at any time before the transfer of the Selling Shareholders' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholder(s) are required to transfer all their Called Shares pursuant to this article 5.12;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders' Shares; and
 - (d) the proposed date of the transfer.
- 5.12.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the

Selling Shareholders' Shares to the Proposed Buyer within 60 business days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

5.12.4 *No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 5.12.*

5.12.5 Completion of the sale of the Called Shares shall take place on the Completion Date. The **Completion Date** means the date proposed for completion of the sale of the Selling Shareholders' Shares unless:

(a) the Called Shareholder(s) and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by the Called Shareholder(s) and the Selling Shareholders; or

(b) that date is less than 10 business days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15th Business Day after service of the Drag Along Notice.

5.12.6 On or before the Completion Date, the Called Shareholder(s) shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the company shall pay the Called Shareholder(s), on behalf of the Proposed Buyer, the amounts due pursuant to article 5.12.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholder(s) in trust for the Called Shareholder(s) without any obligation to pay interest.

5.12.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder(s) shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholder(s) shall have no further rights or obligations under this article 5.12 in respect of their Shares.

5.12.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 5.12.6) transfer(s) in respect of all of the Called Shares held by him, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 5.12.

5.13 Fair Value

- 5.13.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or deemed transfer notice) shall be the price per Sale Share (in cash) agreed between the board (any director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 30 business days of the date of service of the Transfer Notice (or, in the case of a deemed transfer notice, the date on which the board first has actual knowledge of the facts giving rise to such deemed service), the fair value of each Sale Share.
- 5.13.2 The fair value shall be the price per Sale Share determined by the independent expert on the basis and assumption set out in article 5.13.5.
- 5.13.3 The Seller and the board shall endeavour to agree on the appointment of an independent expert and to agree the terms of appointment with the independent expert.
- 5.13.4 *If the Seller and the board are unable to agree on the appointment of an independent expert within 15 business days of either of them serving details of a suggested independent expert on the other, either the board or the Seller shall then be entitled to request the President of the Institute of Chartered Accountants to appoint an independent chartered accountant of repute and with experience in company valuations and to agree such experts terms of appointment.*
- 5.13.5 The assumptions and bases upon which the fair value shall be determined are:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the company without any premium or discount being attributable to the percentage of the issued share capital of the company or for the rights or restrictions applying to the Sale Shares;
 - (b) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) the sale is to be on arms' length terms between a willing buyer and a willing seller;
 - (d) the Sale Shares are sold free of all encumbrances;
 - (e) the sale is taking place on the date the independent expert was requested to determine the fair value; and
 - (f) to take account of any other factors that the independent expert reasonably believes should be taken into account.
- 5.13.6 The parties are entitled to make submissions to the independent expert including oral submissions and shall provide (or procure that the others provide) the independent expert with such assistance and documents as the independent expert may reasonably require for the purpose of reaching a decision.
- 5.13.7 The independent expert shall be requested to determine the fair value within 30 business days of their appointment and notify the board of their determination.

- 5.13.8 Subject to any confidentiality provisions, the independent expert may have access to all accounting records or other relevant documents of the company.
- 5.13.9 The independent expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 5.13.10 The cost of obtaining the independent expert's certificate shall be borne by the Seller and the company equally.

5.14 Permitted Transfers

Upon the death of an original shareholder, the personal representatives of the original shareholder's estate may transfer the deceased original shareholder's shares to the beneficiaries of the estate and the pre-emption provision of article 5.9 shall not apply in respect of such transfer

5.15 Transmission of shares

- 5.15.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 5.15.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- (a) may, subject to the articles, choose either to become the holder of those shares or have them transferred to another person; and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 5.15.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

5.16 Exercise of transmittees' rights

- 5.16.1 *Transmittees who wish to transfer shares in accordance with article 5.14 must notify the company in writing of that wish.*
- 5.16.2 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

5.17 Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

6. Dividends and other distributions

6.1 Procedure for declaring dividends

- 6.1.1 The company may, by ordinary resolution declare dividends and the directors may decide to pay interim dividends.
- 6.1.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 6.1.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 6.1.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 6.1.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 6.1.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 6.1.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

6.2 Payment of dividends and other distributions

- 6.2.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an *address specified by the distribution recipient either in writing or as the directors may otherwise decide;*
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

6.2.2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or

otherwise by operation of law, the transmittee.

6.3 No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

6.4 Unclaimed distributions

6.4.1 All dividends or other sums which are:

- (a) payable in respect of shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

6.4.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

6.4.3 If:

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

6.4.4 the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

6.5 Non-cash distributions

6.5.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-

cash assets of equivalent value (including, without limitation, shares or other securities in any company).

6.5.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

6.6 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

7. **Capitalisation of profits**

7.1 **Authority to capitalise and appropriation of capitalised sums**

7.1.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

7.1.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

- 7.1.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 7.1.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 7.1.5 Subject to the articles the directors may:
- (a) apply capitalised sums in accordance with articles 7.1.3 and 7.1.4 partly in one way and partly in another;
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.
- 8. Decision-making by Shareholders - Organisation of general meetings**
- 8.1 Attendance and speaking at general meetings**
- 8.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 8.1.2 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 8.1.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 8.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 8.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

8.2 Quorum for general meetings

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

8.3 Chairing general meetings

8.3.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

8.3.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- (a) the directors present; or
- (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

8.3.3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

8.4 Attendance and speaking by directors and non-shareholders

8.4.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

8.4.2 The chairman of the meeting may permit other persons who are not:

- (a) shareholders of the company; or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

8.5 Adjournment

8.5.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

8.5.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

8.5.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

8.5.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

8.5.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

8.5.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

9. Voting at general meetings

9.1 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

9.2 Errors and disputes

9.2.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

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

9.3 Poll votes

9.3.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

9.3.2 A poll may be demanded by:

- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 9.3.3 A demand for a poll may be withdrawn if:
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- 9.3.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 9.4 Content of proxy notices**
- 9.4.1 Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:
- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 9.4.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 9.4.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 9.4.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 9.5 Delivery of proxy notices**
- 9.5.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any

adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

9.5.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

9.5.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

9.5.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

9.6 Amendments to resolutions

9.6.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

9.6.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

9.6.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

10. Administrative Arrangements

10.1 Means of communication to be used

10.1.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

10.1.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by

the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

- 10.1.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

10.2 Company seals

- 10.2.1 Any common seal may only be used by the authority of the directors.

- 10.2.2 The directors may decide by what means and in what form any common seal is to be used.

- 10.2.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

- 10.2.4 For the purposes of this article, an authorised person is:

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

10.3 No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

10.4 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

10.5 Secretary

Subject to the Act, the directors may appoint a company secretary (or two or more person as joint secretary) for such term, at such remuneration and upon such conditions as the directors may think fit, and any company secretary (or joint secretary) so appointed may be removed by the directors.

11 **Directors' Indemnity and Insurance**

11.1 **Indemnity**

11.1.1 Subject to article 11.1.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and
- (c) any other liability incurred by that director as an officer of the company or an associated company.

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

11.1.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

11.2 **Insurance**

11.2.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

11.2.2 In this article:

- (a) a "**relevant director**" means any director or former director of the company or an associated company;
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Q. Chen
2/3/18