

Company No. 06979672

THE COMPANIES ACT 2006

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COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

THE BINDING SITE CORPORATION LIMITED (the "Company")

Pursuant to section 283(3)(a), Chapter 1 Part 13 and Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company have proposed that the resolutions below are passed by the members of the Company as ordinary resolutions and special resolutions (as directed below).

We, the undersigned, being entitled as at 1<sup>st</sup> July 2011, the date of circulation of these resolutions, to attend and vote at general meetings of the Company, **RESOLVE** that the following resolutions 1, 2, 3, 4 and 5 be passed as written resolutions having effect follows: resolutions 1 and 2, as special resolution (the "**Special Resolution**"), and resolution 3, 4 and 5, as ordinary resolutions (the "**Ordinary Resolutions**"), of the Company:

SPECIAL RESOLUTION

1. **THAT** the Company's articles of association be amended by deleting article 66.5, which is to be replaced by a new provision as set out in Annex 1.
2. **THAT** any member may:
  - (a) mortgage (whether by way of fixed or floating charge), pledge or otherwise encumber its legal or beneficial interest in the whole or any of his shares;
  - (b) or do, or agree to do, any one or more of the actions set out in article 69 1(b) to (d) inclusive in the Company's articles of association.

ORDINARY RESOLUTIONS

3. **THAT** it is in the interests of promoting the success of the Company for the benefit of its members as a whole that the Company enters into:
  - (a) the facilities agreement between, among others, the Company as borrower, HSBC Bank plc and Skandinaviska Enskilda Banken AB (publ) as arrangers, HSBC Bank plc as agent and HSBC Corporate Trustee Company (UK) Limited as security agent (the "**Facilities Agreement**");

- (b) the intercreditor agreement between, among others, the Company, the Senior Lenders (as defined therein), HSBC Bank plc as the agent and HSBC Corporate Trustee Company (UK) Limited as security agent (the "Intercreditor Agreement");
  - (c) the debenture between, among others, the Company and HSBC Corporate Trustee Company (UK) Limited as security agent (the "Debenture");
  - (d) a written resolution of the members of The Binding Site Group Limited (the "TBSG Resolution") to be passed by the Company, as shareholder of The Binding Site Corporation Limited for the purpose of (i) approving the terms of, and the transaction contemplated by, the Documents (as defined in the TBSG Resolution), and (ii) amending the articles of association of The Binding Site Group Limited;
  - (e) a written resolution of the members of Nettleton Gate Limited (the "Nettleton Gate Resolution") to be passed by the Company, as shareholder of Nettleton Gate Limited for the purpose of (i) approving the terms of, and the transaction contemplated by, the Documents (as defined in the Nettleton Gate Resolution), and (ii) amending the articles of association of Nettleton Gate Limited; and
  - (f) the form of the certificate (the "Certificate") of the Company to be signed by a director or other authorised signatory of the Company, certifying and confirming various matters relating to the Facilities Agreement,  
  
(together, the "Transaction Documents"); and
  - (g) all notices, instructions, certificates and other documents (including any power of attorney) incidental or ancillary to any Transaction Document (the "Ancillary Documents"),  
  
(the Transaction Documents and the Ancillary Documents together being referred to as the "Documents").
4. **THAT** a director of the Company may have an interest by virtue of being a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company, and no authorisation by the board of directors of the Company shall be required in respect of any such interest.

For the purposes of this resolution, "Relevant Company" shall mean:

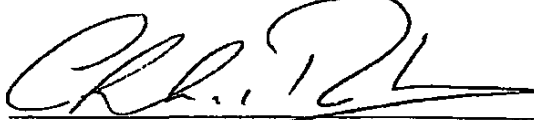
- (a) the Company;
- (b) any subsidiary undertaking of the Company;
- (c) any parent undertaking of the Company or a subsidiary undertaking of any such parent undertaking;
- (d) any body corporate promoted by the Company; or
- (e) any body corporate in which the Company is otherwise directly or indirectly interested,

and “subsidiary undertaking” and “parent undertaking” shall be construed in accordance with sections 1161 and 1162 of the Companies Act 2006.

5. **THAT** the company approves the terms of the transactions contemplated by, and the execution, delivery and performance of, the Documents to which the company is to become a party.

(resolutions 1, 2, 3, 4 and 5 together the “Resolutions”)

Date of circulation 1<sup>st</sup> July 2011



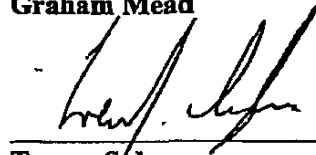
For and on behalf of Cidron (TBS) II Limited

Date of signature 4<sup>th</sup> July 2011



Graham Mead

Date of signature 4<sup>th</sup> July 2011

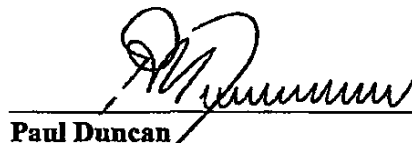


Trevor Sykes

Date of signature 4<sup>th</sup> July 2011

Hugh Carr-Smith

Date of signature \_\_\_\_\_ 2011



Paul Duncan

Date of signature 4<sup>th</sup> July 2011

## **Annex 1**

66.5 (a) Subject to Article 66.5(b), the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share.

(b) Notwithstanding anything else contained in these Articles, the Company and the directors shall be bound to register a transfer of any share in the Company, the transfer of which is required by any person pursuant to such a person's proper enforcement of security granted to such a person over such share.

(c) Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee and the transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is entered in the Register of members in respect thereof.

**NOTES:**

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By Hand:** delivering the signed copy to Cidron (TBS) Midco Limited, FAO Company Secretary, 20-22 Bedford Row, London, WC1R 4JS.
- **By Post:** returning the signed copy by post to Cidron (TBS) Midco Limited, FAO Company Secretary, 20-22 Bedford Row, London, WC1R 4JS.
- **Fax:** faxing the signed copy to + 44 1534 605199 marked "For the attention of Tommi Unkuri".
- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [Tommi.Unkuri@nordiccapital.com](mailto:Tommi.Unkuri@nordiccapital.com)

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Unless, by (and including) 28<sup>th</sup> July, 2011, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
3. Once given, your agreement to the Resolutions may not be revoked.
4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Private & Confidential

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE BINDING SITE CORPORATION LIMITED  
(Adopted by a Written Resolution passed on 4 July 2011)

PRELIMINARY

**1     Exclusion of default articles and defined terms**

**1.1   In these articles, unless the context requires otherwise:**

“**alternate**” or “**alternate director**” has the meaning given in article 27;

“**appointor**” has the meaning given in article 27;

“**articles**” means the Company's articles of association;

“**Auditors**” means the auditors of the Company at the relevant time;

“**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;

“**B Shares**” ordinary B shares of £0.01 each in the capital of the Company;

“**Board**” the directors of the Company or a quorum of the directors present at a board meeting,

“**Business Day**” means any other than a Saturday, Sunday or public holiday in England,

“**CA 1985**” means the Companies Act 1985;

“**CA 2006**” means the Companies Act 2006;

“**call**” has the meaning given in article 57;

**"call notice"** has the meaning given in article 57;

**"C Shares"** ordinary C shares of £0.01 each in the capital of the Company;

**"certificate"** means a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities;

**"certificated"** in relation to a share, means that it is not a share in respect of which a share warrant has been issued and is current;

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

**"chairman of the meeting"** has the meaning given in article 34;

**"Companies Acts"** means the Companies Acts (as defined in section 2 CA 2006), in so far as they apply to the Company;

**"Company's lien"** has the meaning given in article 55;

**"Control"** means control as defined in section 840 ICTA;

**"Controlling Interest"** means shares which together amount to 50 per cent or more of the shares in issue at the relevant time or which otherwise confer Control of the Company on the holder of those Shares;

**"Current Equity Value"** on the Board being informed of an offer being made for any B Shares, the Current Equity Value will be defined as the fair market value of the Company, established on a best estimate basis as calculated by the Board after taking into consideration the price offered for the B Shares for the time being under offer, or, in the event of a disagreement as to the said valuation, by the Auditors (or any person qualified to act as an auditor appointed by mutual agreement) who shall act as experts and not arbitrators and whose decision shall be final and binding on each of the parties except in the case of manifest error;

**"director"** means a director of the Company, and includes any person occupying the position of director, by whatever name called;

**"Disposal of a Controlling Interest"** the sale, transfer or disposal of a Controlling Interest to any person whether or not a member of the Company, or to any such person and any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such person;

**"Disposal Consideration"** subject to articles 95.1 and 95.2, the consideration payable by the purchaser(s) being the aggregate of the cash consideration and/or the cash equivalent of any non-cash assets (including in each case any deferred or contingent consideration) paid for the sale, transfer or disposal of a Controlling Interest or the trade and/or assets of the Company (or substantially all of the Company) which are the subject of the Sale, after deduction of any fees or other expenses related to or triggered by the relevant Exit Event;

**"distribution recipient"** has the meaning given in article 78;



**“document”** includes, unless otherwise specified, any document sent or supplied in electronic form;

**“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),

**“electronic form”** has the meaning given in section 1168 CA 2006;

**“Equity Value”** on a Listing of the Company, the Equity Value will be defined as the projected market capitalisation of the Company on the Listing excluding any monies subscribed on the Listing (based on the issue price per share as determined by the Company on the advice of its brokers immediately prior to the Listing),

**“Exit Event”** any of the following events: (i) a Sale; (ii) the Disposal of a Controlling Interest, (iii) a Listing; or (iv) a winding up of the Company but excludes any event occurring as a result of a transaction or an arrangement whereby a new holding Company owned by the shareholders of the Company in the same or substantially the same proportions as their shareholdings in the Company, acquires the trade and business of the Company or the entire issued capital of the Company;

**“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”** the Company and its subsidiary undertaking(s) (if any) from time to time and references to “Group Company” and “members of the Group” shall be construed accordingly;

**“hard copy form”** has the meaning given in section 1168 CA 2006;

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

**“Hurdle”** the sum determined by the Board in accordance with articles 96.1 and 96.2,

**“ICTA”** means the Income and Corporation Taxes Act 1988;

**“instrument”** means a document in hard copy form;

**“Leaver”** has the meaning set out in article 97.1;

**“Leaving Date”** the date on which the relevant person becomes a Leaver;

**“lien enforcement notice”** means a notice that complies with article 56;

**“Listing”** the admission of the whole or any part of the Company's equity share

capital (as defined in section 744 of CA 1985) to the London Stock Exchange Ltd or the admission to trading on the Alternative Investment Market or any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**"member"** has the meaning given in section 22 CA 1985 (as long as in force) and (when in force) section 112 CA 2006;

**"notice of intended forfeiture"** means a notice that complies with article 61;

**"ordinary resolution"** has the meaning given in section 282 CA 2006;

**"Ordinary Shares"** ordinary shares of £0.01 each in the capital of the Company,

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

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

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

**"proxy notice"** has the meaning given in article 41;

**"Sale"** the disposal of the whole or substantially the whole (as determined at the absolute discretion of the Board) of the trade and assets of the Company as a part of a single transaction (or a series of linked transactions) to any person whether or not a member of the Company, or to any such person and any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such person,

**"securities seal"** has the meaning given in article 51;

**"Shareholder"** means a shareholder in the Company from time to time;

**"shares"** means shares in the Company;

**"special resolution"** has the meaning given in section 283 CA 2006;

**"subsidiary"** has the meaning given in sections 736 and 736A CA 1985 (as long as in force) and (when in force) section 1159 CA 2006;

**"Table A"** means Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended;

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"uncertificated"** in relation to a share means that it is a share in respect of which a share warrant has been issued and is current; 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 Table A does not apply to the Company.
- 1.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in CA 2006 as in force on the date when these articles become binding on the Company.
- 1.4 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles
- 1.5 A reference in these articles to an "article" is a reference to the relevant article of these articles unless expressly provided otherwise
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

## **2 Liability of members**

- 2.1 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **3 Directors' general authority**

- 3.1 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.

#### **4 Members' reserve power**

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

#### **5 Directors may delegate**

- 5.1 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

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

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

## **6 Committees**

6.1 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.

6.2 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.

## **DECISION-MAKING BY DIRECTORS**

### **7 Directors to take decisions collectively**

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

7.2 If:

- (a) the Company only has one director; and
- (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, articles 8 to 14 inclusive do not apply and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **8 Unanimous decisions**

8.1 A decision of the 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

8.2 Such a decision may take the form of a resolution in writing in accordance with articles 19 and 20 or may be in electronic form.

8.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a directors' meeting.

**9 Calling a directors' meeting**

9.1 Any director may call a directors' meeting.

9.2 The Company secretary (if any) must call a directors' meeting if a director so requests.

9.3 A directors' meeting is called by giving notice of the meeting to the directors.

9.4 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.5 Notice of a directors' meeting must be given to each director, but need not be in writing.

9.6 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

**10 Participation in directors' meetings**

10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with the articles; and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

10.3 If all the 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.

## **11 Quorum for directors' meetings**

- 11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two eligible directors.
- 11.3 For the purposes of any meeting (or part of a meeting) held in accordance with article 17 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for that meeting (or part of a meeting) is one eligible director.
- 11.4 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 members to appoint further directors

## **12 Chairing directors' meetings**

- 12.1 The directors may appoint a director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the chairman.
- 12.3 The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence
- 12.4 The directors may terminate the appointment of the chairman, deputy or assistant chairman at any time.
- 12.5 If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **13 Voting at directors' meetings: general rules**

- 13.1 Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- 13.2 Subject to the articles, each director participating in a directors' meeting has one vote.
- 13.3 Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company:
  - (a) that director's alternate may not vote on any proposal relating to it unless the interest has been duly declared (if so required by section 177 or section 182 CA 2006), but

- (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

**14 Chairman's casting vote at directors' meetings**

- 14.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 14.2 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

**15 Alternates voting at directors' meetings**

- 15.1 A director who is also an alternate director has an additional vote on behalf of each appointor who is:
  - (a) not participating in a directors' meeting; and
  - (b) would have been entitled to vote if they were participating in it.

**16 Directors' interests in transactions or arrangements with the Company**

- 16.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is in any way directly or indirectly interested, that director shall be counted as participating in the decision making process for quorum and voting purposes provided that the relevant interest either:
  - (a) has been duly declared in accordance with section 177 or section 182 CA 2006, as the case may require; or
  - (b) is not required by the terms of either of those sections to be declared.
- 16.2 So long as the relevant interest falls within article 16.1(a) or 16.1(b), a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction 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 entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of any such matter or proposed matter in which he is interested;
  - (c) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and

- (d) 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.

## **17 Directors' conflicts of interest**

- 17.1 The provisions of this article shall apply in relation to the exercise of the power of the directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

- 17.2 In this article and article 18:

**"authorise"** means to authorise in accordance with section 175(5)(a) CA 2006 and **"authorisation"**, **"authorised"** and cognate expressions shall be construed accordingly;

a **"conflict of interest"** includes a conflict of interest and duty and a conflict of duties;

**"conflicted director"** means a director in relation to whom there is a conflicting matter;

**"conflicting matter"** means a matter which would or might (if not authorised) constitute or give rise to a breach of the duty of a director under section-175(1) CA 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company; and

an interest or duty is **"material"** unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

- 17.3 The provisions of this article apply without prejudice (and subject) to the provisions of section 175(6) CA 2006. Nothing in these articles shall invalidate an authorisation.
- 17.4 A conflicted director seeking authorisation of any conflicting matter shall disclose to the directors the nature and extent of the conflicting matter as soon as is reasonably practicable. The conflicted director shall provide the directors with such details of the conflicting matter as are necessary for the directors to decide how to address the conflicting matter, together with such additional information as may be requested by the directors.
- 17.5 Any director (including the conflicted director) may propose that a conflicted director's conflicting matter be authorised. Any such proposal, and any authorisation given by the directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the directors under the provisions of these articles, except that:



- (a) the conflicted director and any other interested director shall not count towards the quorum nor vote on any resolution giving that authorisation; and
- (b) the conflicted director and any other interested director may, if the directors so decide, be excluded from any meeting of the directors while the conflicting matter and the giving of that authorisation are under consideration.

17.6 Where the directors authorise a conflicted director's conflicting matter:

- (a) the directors may (whether at the time of giving the authorisation or subsequently):
  - (i) require that the conflicted director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the conflicting matter, and
  - (ii) impose on the conflicted director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine;
- (b) the conflicted director shall conduct himself in accordance with any terms or conditions imposed by the directors in giving that authorisation;
- (c) the directors may provide that, where the conflicted director obtains (otherwise than through his position as a director) information that is confidential to a third party, the conflicted director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and
- (e) the directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted director prior to that action in accordance with the terms of the authorisation.

17.7 A director who has directly or indirectly an interest or a duty in a matter which is material and which conflicts or may conflict with the interests of the Company shall be counted as participating in the decision making process for quorum and voting purposes, notwithstanding his interest or duty, at any meeting at which the matter is considered provided that:

- (a) he has disclosed the nature and extent of his interest or duty giving rise to his conflict of interest; and

- (b) where his conflict of interest is constituted by or arises from a conflicting matter of his, that conflicting matter has been authorised and the director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter.

## **18 Additional provisions about directors' interests and conflicts**

- 18 1 A director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the Company for any benefit which he (or a person connected with him) derives from:

- (a) an interest to which article 16.1(a) or article 16.1(b) applies; or
- (b) a conflicting matter authorised by the directors,

and no transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

- 18 2 If a question arises at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest or a conflict of interest for the purposes of articles 16 or 17, or if he can vote or be counted in the quorum, and the relevant director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The ruling of the chairman of the meeting about any other director is final and conclusive, unless the nature or extent of the director's interest (so far as it is known to him) has not been fairly disclosed to the directors.

- 18.3 If a question of the kind referred to in article 18.2 arises about the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature and extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the directors.

- 18.4 The Company may by ordinary resolution ratify or approve any transaction or arrangement which has not been properly authorised by reason of a contravention of these articles or cannot be properly authorised in advance in accordance with these articles.

## **19 Proposing directors' written resolutions**

- 19 1 Any director may propose a directors' written resolution.

- 19.2 The Company secretary (if any) must propose a directors' written resolution if a director so requests.

- 19.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

- 19.4 Notice of a proposed directors' written resolution must indicate:

- (a) the proposed resolution; and
  - (b) the time by which it is proposed that the directors should adopt it.
- 19.5 Notice of a proposed directors' written resolution must be given in writing to each director
- 19.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

## **20 Adoption of directors' written resolutions**

- 20.1 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.
- 20.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- 20.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

## **21 Additional provisions about directors' decision-making**

- 21.1 The Company secretary or (if none) the directors must ensure that the Company keeps a record, in writing:
  - (a) of all directors' written resolutions for at least ten years from the date of their adoption; and
  - (b) of every unanimous or majority decision taken by the directors for at least ten years from the date of the decision recorded.
- 21.2 Where a decision of the directors is taken by electronic means, that decision must be recorded in permanent form, so that it may be read with the naked eye.
- 21.3 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.

## **APPOINTMENT OF DIRECTORS**

### **22 Methods of appointing directors**

- 22.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
  - (a) by ordinary resolution; or

(b) by a decision of the directors.

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

22.3 For the purposes of article 22.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

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

23.1 A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of CA 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms; or
- (g) that person has been absent, without the permission of the directors, for more than six consecutive months from meetings of the directors held during that period and the directors resolve that he or she should cease to be a director

### **24 Removal of directors**

24.1 In addition and without prejudice to the provisions of sections 168 and 169 CA 2006, the Company may by ordinary resolution remove any director before the expiry of his period of office and may, if thought fit, by ordinary resolution appoint another person in his place. Removal of a director in accordance with this article shall be without prejudice to any claim that director may have for damages for breach of any contract between him and the Company.

**25 Directors' remuneration**

- 25.1 Directors may undertake any services for the Company that the directors decide.
- 25.2 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.
- 25.3 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.
- 25.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 25.5 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.

**26 Officers' expenses**

- 26.1 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) 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.

**ALTERNATE DIRECTORS**

**27 Appointment and removal of alternates**

- 27.1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- (a) exercise that director's powers; and
  - (b) carry out that director's responsibilities,

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

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

27.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**28 Rights and responsibilities of alternate directors**

28.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

28.2 Except as the articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

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

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

28.4 Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company:

- (a) that director's alternate may not vote on any proposal relating to it unless the interest has been duly declared (if so required by section 177 or section 182 CA 2006); but
- (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

28.5 A director who is also an alternate director has an additional vote on behalf of

each appointor who is:

- (a) not participating in a directors' meeting, and
- (b) would have been entitled to vote if they were participating in it.

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

## **29 Termination of alternate directorship**

29.1 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

## **DECISION-MAKING BY MEMBERS**

### **WRITTEN RESOLUTIONS**

#### **30 Written Resolutions**

- 30.1 For the purposes of section 297(1) CA 2006, a proposed written resolution lapses if it is not passed before the end of the period of fourteen days beginning with the circulation date
- 30.2 No voting rights attached to a share may be exercised on any written resolution unless all amounts payable to the Company in respect of that share have been paid.
- 30.3 Article 88 has effect in relation to the right to be sent copies of proposed written resolutions.

### **ORGANISATION OF GENERAL MEETINGS**

#### **31 Members' powers if Company has no directors**

- 31.1 If the Company has no directors, any two or more members may call a general meeting (or instruct the Company secretary, if any, to do so) for the purpose of

appointing one or more directors. If the Company has only one member, that member may pass a written resolution for that purpose.

### **32 Attendance and speaking at general meetings**

- 32.1 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.
- 32.2 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.
- 32.3 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.
- 32.4 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.
- 32.5 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.

### **33 Quorum for general meetings**

- 33.1 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.

### **34 Chairing general meetings**

- 34.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 34.2 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 member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.



34.3 A proxy or a representative appointed in accordance with section 323 CA 2006 may not chair a general meeting.

34.4 The person chairing a meeting in accordance with this article is referred to as the “**chairman of the meeting**”.

**35 Attendance and speaking by directors and non-members**

35.1 Directors may attend and speak at general meetings, whether or not they are members.

35.2 The chairman of the meeting may permit other persons who are not.

(a) members of the Company; or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

**36 Adjournment**

36.1 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.

36.2 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

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

36.4 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

36.5 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.
- 36.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

#### VOTING AT GENERAL MEETINGS

##### **37 General meetings: voting and notices**

- 37.1 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.
- 37.2 Article 88 has effect in relation to the right to receive notices of general meetings.

##### **38 Errors and disputes**

- 38.1 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.
- 38.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

##### **39 Demanding a poll**

- 39.1 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.
- 39.2 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 members having the right to vote on the resolution.
- 39.3 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.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

#### **40 Procedure on a poll**

- 40.1 Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs.
- 40.2 The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.
- 40.3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 40.4 A poll on:
  - (a) the election of the chairman of the meeting; or
  - (b) a question of adjournment,must be taken immediately.
- 40.5 Other polls must be taken within 30 days of their being demanded
- 40.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 40.7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 40.8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

#### **41 Content of proxy notices**

- 41.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the member 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,

and a proxy notice which is not delivered in that form and in that manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

- 41.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 41.3 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.
- 41.4 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.

#### **42 Delivery of proxy notices**

- 42.1 Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 42.2 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.
- 42.3 Subject to articles 42.4 and 42.5, a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
- 42.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- 42.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered:
  - (a) in accordance with article 42.3; or
  - (b) at the meeting at which the poll was demanded to the chairman, secretary or any director.
- 42.6 An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.

42.7 A notice revoking a proxy appointment only takes effect if it is delivered before:

- (a) the start of the meeting or adjourned meeting to which it relates; or
- (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates

42.8 If a proxy notice is not signed 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.

#### **43 Amendments to resolutions**

43.1 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 secretary 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.

43.2 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.

43.3 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.

#### **RESTRICTIONS ON MEMBERS' RIGHTS**

#### **44 No voting of shares on which money owed to Company**

44.1 No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, or on any written resolution, unless all amounts payable to the Company in respect of that share have been paid

## SHARES AND DISTRIBUTIONS

### ISSUE OF SHARES

#### 45 Powers in relation to shares

45.1 The authorised share capital of the Company is £1190.24 divided into 105,000 Ordinary Shares, 1,024 B Shares and 13,000 C Shares\*

45.2 The holders of the Ordinary Shares shall:

- (a) be entitled to receive notice of, attend and vote at general meetings of the Company;
- (b) be entitled to a dividend;
- (c) in the event of any assets being available for distribution on a winding up of the Company, be entitled to any distribution in accordance with article 95.4 below; and
- (d) be entitled to a return of capital in accordance with article 95.4 below.

45.3 The holders of the B Shares shall:

- (a) have no entitlement to receive notice of, attend at or vote at general meetings of the Company;
- (b) have no entitlement to a dividend,
- (c) in the event of any assets being available for distribution on a winding up of the Company, be entitled to any distribution in accordance with article 95.4 below; and
- (d) be entitled to a return of capital in accordance with article 95.4 below.

45.4 The holders of the C Shares shall:

- (a) be entitled to receive notice of, attend and vote at general meetings of the Company;
- (b) have no entitlement to a dividend;

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\* The Company was incorporated with an authorised share capital of £1000 divided into 1000 ordinary shares of £1 each. The 1000 issued and unissued ordinary shares of £1 were each subdivided into 100,000 ordinary shares of £0.01 each. The authorised share capital was then increased from £1000 to £1050 by the creation of an additional 5,000 ordinary shares of £0.01 each by written resolutions passed on 21 August 2009, to £1060.24 by the creation of an additional 1,024 B ordinary shares of £0.01 each by written resolutions passed on 21 June 2010 and further to £1190.24 by the creation of an additional 13,000 C ordinary shares of £0.01 each by written resolutions passed on 1 September 2010

- (c) in the event of any assets being available for distribution on a winding up of the Company, be entitled to a distribution in accordance with article 95 4 below; and
- (d) be entitled to a return of capital up to a maximum of the amount paid up on the C Shares.

45.5 For the purposes of section 551 CA 2006, the directors are unconditionally authorised by this article at any time or times during the period of five years from the date of adoption of these articles:

- (a) to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised but unissued share capital of the Company; and
- (b) to make at any time before the expiry of the above authority any offer or agreement which would or might require shares to be allotted or such rights to be granted after the expiry of that authority,

but the authority given by this article may, subject to CA 2006, be renewed, revoked or varied by the Company at any time during that period by ordinary resolution and unless so renewed, revoked or varied, that authority shall expire at the end of that period.

45.6 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to the persons, on the terms and conditions and with the rights, priorities, privileges or restrictions in each case as provided in the resolution creating or issuing the relevant shares and/or effecting the relevant increase in the authorised share capital of the Company. In the absence of any such provision, all shares whether forming part of the existing or any increased capital shall be at the disposal of the directors who may issue them, subject to section 80 CA 1985 (so long as that section remains in force), to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit. When section 549 CA 2006 is in force, the reference above to section 80 CA 1985 shall be deemed to be deleted and replaced by reference to section 549 CA 2006. Accordingly, and in accordance with section 91 CA 1985, sections 89(1) and 90(1) – (6) inclusive CA 1985 shall not apply to the Company. When in force, in accordance with section 567 CA 2006, sections 561(1) and 562 CA 2006 shall not apply to the Company.

45.7 No share shall be issued to any infant, bankrupt or person who, by reason of that person's mental health, is subject to a court order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.

45.8 For the avoidance of doubt, for the purposes of these articles 45.1 to 45.2, references to "Ordinary Shares" shall not be deemed to include the B Shares or the C Shares.

**46     Subdivision of Shares**

- 46.1 The Company may by ordinary resolution (subject to the provisions of sections 121(2)(d) and 121(3) (so long as those sections remain in force)) subdivide its shares or any of them into shares of a smaller amount and the resolution may determine that, as between the shares resulting from the subdivision, any of them may have any preference or advantage as compared with others.
- 46.2 When section 618 CA 2006 is in force, the reference above to sections 121(2)(d) and 121(3) shall be deemed to be deleted and replaced by reference to section 618 CA 2006.

**47     Redemption and purchase of own shares**

- 47.1 Subject to the provisions of Chapter VII of Part V CA 1985, the Company may:
- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the holder(s) of those shares;
  - (b) purchase its own shares (including any redeemable shares); and
  - (c) make payment in respect of any such redemption or purchase otherwise than out of distributable profits or the proceeds of a fresh issue of shares.

**48     Payment of commissions on subscription for shares**

- 48.1 The Company may pay any person a commission in consideration for that person:
- (a) subscribing, or agreeing to subscribe, for shares; or
  - (b) procuring, or agreeing to procure, subscriptions for shares.
- 48.2 Any such commission may be paid:
- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
  - (b) in respect of a conditional or an absolute subscription.

**INTERESTS IN SHARES**

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

- 49.1 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.



## SHARE CERTIFICATES

### **50 Certificates to be issued except in certain cases**

- 50.1 The Company must issue each member with one or more certificates in respect of the shares which that member holds.
- 50.2 This article does not apply to:
- (a) uncertificated shares;
  - (b) shares in respect of which a share warrant has been issued; or
  - (c) shares in respect of which the Companies Acts permit the Company not to issue a certificate
- 50.3 Except as otherwise specified in the articles, all certificates must be issued free of charge.
- 50.4 No certificate may be issued in respect of shares of more than one class.
- 50.5 If more than one person holds a share, only one certificate may be issued in respect of it.

### **51 Contents and execution of share certificates**

- 51.1 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) the amount paid up on them; and
  - (d) any distinguishing numbers assigned to them.
- 51.2 Certificates must:
- (a) have affixed to them the Company's common seal or an official seal which is a facsimile of the Company's common seal with the addition on its face of the word "Securities" (a "securities seal"); or
  - (b) be otherwise executed in accordance with the Companies Acts

### **52 Consolidated share certificates**

- 52.1 When a member's holding of shares of a particular class increases, the Company may issue that member with
- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds; or
  - (b) a separate certificate in respect of only those shares by which that

member's holding has increased.

52.2 When a member's holding of shares of a particular class is reduced, the Company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the Company need not (in the absence of a request from the member) issue any new certificate if:

- (a) all the shares which the member no longer holds as a result of the reduction; and
- (b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

52.3 A member may request the Company, in writing, to replace:

- (a) the member's separate certificates with a consolidated certificate; or
- (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.

52.4 When the Company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

52.5 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the Company for cancellation.

### **53 Replacement share certificates**

53.1 If a certificate issued in respect of a member's shares is:

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

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

53.2 A member 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.

## SHARES NOT HELD IN CERTIFICATED FORM

### 54 Share warrants

- 54.1 The directors may issue a share warrant in respect of any fully paid share
- 54.2 Share warrants must be:
- (a) issued in such form; and
  - (b) executed in such manner,
- as the directors decide.
- 54.3 A share represented by a share warrant may be transferred by delivery of the warrant representing it.
- 54.4 The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.
- 54.5 Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may:
- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
  - (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;
  - (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
  - (d) vary the conditions of issue of any warrant from time to time,
- and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.
- 54.6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.
- 54.7 The Company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

## PARTLY PAID SHARES

### **55     Company's lien over partly paid shares**

55.1 The Company has a lien (the "Company's lien") over every share which is partly paid for any part of.

- (a) that share's nominal value; and
- (b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

55.2 The Company's lien over a share:

- (a) takes priority over any third party's interest in that share; and
- (b) extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

55.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

### **56     Enforcement of the Company's lien**

56.1 Subject to the provisions of this article, if:

- (a) a lien enforcement notice has been given in respect of a share, and
  - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that share in such manner as the directors decide.

56.2 A lien enforcement notice:

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

- (e) must state the Company's intention to sell the share if the notice is not complied with.

56.3 Where shares are sold under this article:

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

56.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
- (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

56.5 A statutory declaration by a director or Company secretary that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

57 Call notices

57.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice

57.2 A call notice.

- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
- (b) must state when and how any call to which it relates it is to be paid; and

(c) may permit or require the call to be paid by instalments.

57.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.

57.4 Before the Company has received any call due under a call notice the directors may:

(a) revoke it wholly or in part, or

(b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

## **58 Liability to pay calls**

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

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

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

(a) to pay calls which are not the same; or

(b) to pay calls at different times.

## **59 When call notice need not be issued**

59.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):

(a) on allotment,

(b) on the occurrence of a particular event; or

(c) on a date fixed by or in accordance with the terms of issue.

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

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

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

(a) the directors may issue a notice of intended forfeiture to that person;

and

- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

60.2 For the purposes of this article:

- (a) the “**call payment date**” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date;
- (b) the “**relevant rate**” is:
  - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
  - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.

60.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

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

## **61 Notice of intended forfeiture**

61.1 A notice of intended forfeiture:

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

## **62 Directors' power to forfeit shares**

62.1 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is

forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

### **63     Effect of forfeiture**

63.1   Subject to the articles, the forfeiture of a share extinguishes:

- (a)    all interests in that share, and all claims and demands against the Company in respect of it, and
- (b)    all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

63.2   Any share which is forfeited in accordance with the articles:

- (a)    is deemed to have been forfeited when the directors decide that it is forfeited;
- (b)    is deemed to be the property of the Company; and
- (c)    may be sold, re-allotted or otherwise disposed of as the directors think fit.

63.3   If a person's shares have been forfeited:

- (a)    the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (b)    that person ceases to be a member in respect of those shares;
- (c)    that person must surrender the certificate for the shares forfeited to the Company for cancellation;
- (d)    that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e)    the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

63.4   At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

### **64     Procedure following forfeiture**

64.1   If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.



64.2 A statutory declaration by a director or Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

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

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

- (a) was, or would have become, payable; and
- (b) had not, when that share was forfeited, been paid by that person in respect of that share,

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

## **65 Surrender of shares**

65.1 A member may surrender any share:

- (a) in respect of which the directors may issue a notice of intended forfeiture;
- (b) which the directors may forfeit; or
- (c) which has been forfeited.

65.2 The directors may accept the surrender of any such share.

65.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

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

## **TRANSFER AND TRANSMISSION OF SHARES**

### **66 Transfers of certificated shares**

66.1 Certificated 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:

- (a) the transferor; and
  - (b) (if any of the shares is partly paid) the transferee.
- 66.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 66.3 The Company may retain any instrument of transfer which is registered.
- 66.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
- 66.5 (a) Subject to Article 66.5(b), the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share.
- (b) Notwithstanding anything else contained in these Articles, the Company and the directors shall be bound to register a transfer of any share in the Company, the transfer of which is required by any person pursuant to such a person's proper enforcement of security granted to such a person over such share.
- (c) Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee and the transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is entered in the Register of members in respect thereof.
- 66.6 If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

**67 Transfer of uncertificated shares**

- 67.1 A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

**68 Transmission of shares**

- 68.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 68.2 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share or jointly held by that member.

**69 Consent of Majority**

- 69.1 No shareholder shall:

- (a) mortgage (whether by way of fixed or floating charge), pledge or otherwise encumber its legal or beneficial interest in the whole or any of his shares;
- (b) sell, transfer or otherwise dispose of all or any of the shares or any legal or beneficial interest in them or assign or otherwise purport to deal with them or with any interest in them;
- (c) enter into any agreement with respect to the voting rights attached to all or any of the shares; or
- (d) agree, whether conditionally or otherwise, to do any of the above,

other than, in any case, with the prior consent in writing of the Shareholder or Shareholders owning 75 per cent or more of the shares.

**70 Transfers of a Controlling Interest (Tag Along)**

70.1 No sale or transfer (whether by one or by a series of transactions) of any Controlling Interest shall be made by or registered unless, before that sale or transfer is made, the proposed transferee has irrevocably and unconditionally offered to purchase all of the shares for the time being in issue at the Specified Price and otherwise on the same terms (including as to the time of completion and the manner of payment) as the proposed transferee has offered to purchase the Controlling Interest.

70.2 In this article 70.2, the expression the "Specified Price" shall mean a consideration for each of the other shares at least equal to the aggregate of that offered or paid or payable by the proposed transferee for each of the shares comprised in the Controlling Interest. For the purposes of this article 70.2, the consideration payable for the Controlling Interest shall include any amount received or receivable by the holders of the Controlling Interest which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for each of the shares comprised in the Controlling Interest and, if there is any disagreement about the calculation of the Specified Price, its calculation shall be referred to the Auditors within five Business Days of the dispute arising (acting as experts and not as arbitrators) whose opinion with respect to the Specified Price shall be final and binding on the parties. The Shareholders and the Board shall give all reasonable assistance to the Auditors in verifying the Specified Price, including the disclosure of all relevant documentation containing the terms of the transaction between the "A" Shareholder and the proposed transferee.

**71 "Come Along" Right**

71.1 If any one or more of the Shareholders (together the "Selling Shareholders") wish to transfer any interest in more than 50 per cent of the issued shares where that transfer would result in the transferee acquiring a Controlling Interest (a "Change of Control"), the Selling Shareholders shall have the option (the "Come Along Option") to require all the other holders of shares to

transfer all their shares to the transferee or as it shall direct in accordance with this article.

- 71.2 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a "**Come Along Notice**") to all other Shareholders (the "**Called Shareholders**") at any time before the transfer of shares resulting in a Change of Control. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "**Called Shares**") pursuant to article 71.1 the terms upon which the Called Shares are to be transferred and the proposed date of transfer.
- 71.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control caused by a transfer of Shares by the Selling Shareholders to the transferee within 60 days after the date of the Come Along Notice.
- 71.4 Subject to article 71.5 below, the terms upon which the Called Shares are to be transferred shall be no less favourable than the terms offered to the Selling Shareholders and the consideration payable shall be determined in accordance with article 95.2.
- 71.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' equity shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
  - (b) that the date is less than seven days after the Come Along Notice, in which case the date for completion of the sale of the Called Shares shall be the seventh day after the Come Along Notice.

## **72 Transmittees' rights**

- 72.1 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 to 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.
- 72.2 But, subject to article 22.2, 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

## **73 Exercise of transmittees' rights**

- 73.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

- 73.2 If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 73.3 If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must:
- (a) procure that all appropriate instructions are given to effect the transfer; or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- 73.4 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.

**74 Transmittees bound by prior notices**

- 74.1 If a notice is given to a member 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 member before the transmittee's name, or the name of any person nominated under article 72 1(a), has been entered in the register of members.

**CONSOLIDATION OF SHARES**

**75 Procedure for disposing of fractions of shares**

- 75.1 This article applies where:
- (a) there has been a consolidation or division of shares; and
  - (b) as a result, members are entitled to fractions of shares.
- 75.2 The directors may:
- (a) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable;
  - (b) in the case of a certificated share, authorise 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
- 75.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.
- 75.4 The person to whom the shares are transferred is not obliged to ensure that

any purchase money is received by the person entitled to the relevant fractions.

- 75.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## DISTRIBUTIONS

### **76 Procedure for declaring dividends**

- 76.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 76.2 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.
- 76.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 76.4 Unless the members' 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 member's holding of shares on the date of the resolution or decision to declare or pay it.
- 76.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 76.6 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.
- 76.7 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.

### **77 Calculation of dividends**

- 77.1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be.
- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
  - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 77.2 If any share is issued on terms providing that it ranks for dividend as from a

particular date, that share ranks for dividend accordingly.

- 77.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

**78 Payment of dividends and other distributions**

- 78.1 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 in writing;
- (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 in writing;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- (d) any other means of payment as the directors agree with the distribution recipient in writing.

- 78.2 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.

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

- 79.1 If:

- (a) a share is subject to the Company's lien; and
- (b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

- 79.2 Money so deducted must be used to pay any of the sums payable in respect of that share.

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

- (a) the fact and amount of any such deduction,
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
- (c) how the money deducted has been applied.

**80 No interest on distributions**

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

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

**81 Unclaimed distributions**

81.1 All dividends or other sums which are:

- (a) payable to members in respect of shares or by way of any distribution or return of capital, 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.

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

81.3 If:

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

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

**82 Non-cash distributions**

82.1 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).

82.2 If the shares in respect of which such a non-cash distribution is paid are



uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated

82.3 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.

### **83 Waiver of distributions**

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

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, 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.

## **CAPITALISATION OF PROFITS**

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

84.1 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.

84.2 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

84.3 Any capitalised sum may be applied in paying up new shares of a nominal amount determined by the directors which are then allotted credited as fully

paid or partly paid (as the directors may decide) to the persons entitled or as they may direct.

84.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
- (b) 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.

84.5 Subject to the articles the directors may:

- (a) apply capitalised sums in accordance with article 84.3 or article 84.4 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.

## **MISCELLANEOUS PROVISIONS**

### **COMMUNICATIONS**

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

85.1 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 CA 2006 provides for documents or information which are authorised or required by any provision of CA 2006 to be sent or supplied by or to the Company.

85.2 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.

85.3 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.

#### **86 Delivery of Documents and Information**

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

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address; and
- (c) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 86.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.
- 86.3 For the purposes of section 1147(3) CA 2006, where a document or information is sent or supplied by the Company to any member by electronic means, and the Company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient one hour after it was sent (but subject to section 1147(5)).
- 86.4 Article 86.3 does not apply where a document or information is in electronic form but is delivered by hand or by post or by other non-electronic means.
- 86.5 Where a document or information is sent or supplied to the Company by one person (the “agent”) on behalf of another person (the “sender”), the Company may require reasonable evidence of the authority of the agent to act on behalf of the sender.

## **87 Failure to notify contact details**

### **87.1 If:**

- (a) the Company sends two consecutive documents to a member over a period of at least 12 months; and
- (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the Company.

- 87.2 A member who has ceased to be entitled to receive notices from the Company

becomes entitled to receive such notices again by sending in writing to the Company:

- (a) a new address to be recorded in the register of members; or
- (b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs in order to use that means of communication effectively.

87.3 This article shall also apply to any person nominated in accordance with article 92 to receive any notice or document

#### ADMINISTRATIVE ARRANGEMENTS

##### **88     Company seals**

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

88.2 The directors may decide by what means and in what form any common seal or securities seal is to be used.

88.3 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.

88.4 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.

88.5 If the Company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

88.6 If the Company has a securities seal, it may only be affixed to securities by the Company secretary or a person authorised to apply it to securities by the Company secretary.

88.7 For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs

##### **89     Destruction of documents**

89.1 The Company is entitled to destroy

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
- (c) all share certificates which have been cancelled from one year after the date of the cancellation;
- (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
- (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates

89.2 If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that.

- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
- (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.

89 3 This article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.

89 4 In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

## **90 No right to inspect accounts and other records**

90.1 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 member.

## **91 Provision for employees on cessation of business**

91.1 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.

**92     Enjoyment or exercise of members' rights**

- 92.1 Any member may by notice in writing to the Company nominate another person or persons as entitled to enjoy or exercise all or any specified rights of that member in relation to the Company in accordance with section 145 CA 2006
- 92.2 A member who has made a nomination in accordance with article 92.1 may vary or terminate that nomination by notice in writing to the Company.
- 92.3 The Company shall act in accordance with every notice of nomination, variation or termination given in accordance with article 92.1 or article 92.2.

**DIRECTORS' INDEMNITY AND INSURANCE**

**93     Indemnity**

- 93.1 Subject to article 93.2, 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) CA 2006); or
  - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- 93.2 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.
- 93.3 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.

**94     Insurance**

- 94.1 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.

94.2 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.

## EXIT EVENTS

95.1 In the event of a Sale:

- (a) if the Disposal Consideration is less than or equal to the Hurdle at the relevant time, any distribution made by the Company pursuant to the Sale shall only be made to the holders of Ordinary Shares;
- (b) if the Disposal Consideration exceeds the Hurdle at the relevant time, the Company shall, to the extent that it has distributable reserves, distribute:
  - (i) an amount equal to the Hurdle, pro rata to the number of Ordinary Shares in issue;
  - (ii) any amount equal to the balance of the Disposal Consideration remaining after distributions are made in accordance with subparagraph (b)(i) above to be distributed, pro rata to the number of Ordinary Shares and B Shares in issue,in no event shall the C Shares be entitled to participate in any proceeds of the Disposal Consideration beyond the amount paid up on the C Shares;
- (c) where any of the Disposal Consideration is deferred or contingent (the “**Deferred Consideration**”) and the value of the Disposal Consideration, including the amount of the Deferred Consideration, on the date of determination of such Deferred Consideration has exceeded the Hurdle, the Deferred Consideration shall be distributed in accordance with subparagraph (b) above, taking into consideration any of the Disposal Consideration distributed on the date of the Sale; and
- (d) for the avoidance of doubt, the Shareholders shall only be entitled to any distribution referred to in subparagraph (b) above, to the extent that the proceeds relating to the Disposal Consideration have been

received by the Company.

95.2 In the event of a Disposal of a Controlling Interest, notwithstanding anything to the contrary in the terms and conditions governing such Disposal of a Controlling Interest, the Disposal Consideration shall be apportioned to the Shareholders as follows:

- (a) if the Disposal Consideration is less than or equal to the Hurdle at the relevant time, the Disposal Consideration shall be apportioned to the Shareholders who sold Ordinary Shares pursuant to the Disposal of a Controlling Interest pro rata to the number of Ordinary Shares sold by each of them;
- (b) if the Disposal consideration exceeds the Hurdle at the relevant time, the Disposal Consideration shall be apportioned to the Shareholders who sold their shares as follows:
  - (i) an amount equal to the Hurdle, pro rata the number of Ordinary Shares sold;
  - (ii) the amount paid up on the C Shares sold; and
  - (iii) any amount equal to the balance of the Disposal Consideration remaining after apportionments are made in accordance with subparagraphs (b)(i) and (ii) above, to be apportioned pro rata to the number of Ordinary Shares and B Shares sold;
- (c) where the Controlling Interest disposed of does not confer all the voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue, for the purposes of subparagraph (b) above, the Hurdle will be adjusted downwards in proportion with the proportion of voting rights conferred by the Controlling Interest disposed of;
- (d) where any of the Disposal Consideration is deferred or contingent and the value of the Deferred Consideration (including any earn-out provisions) on the date of crystallisation of such Deferred Consideration has exceeded the Hurdle, the Deferred Consideration shall be distributed in accordance with subparagraph (b) above, taking into consideration any of the Disposal Consideration distributed on the date of the Sale.

95.3 In the event that a Listing is to take place, then immediately prior to such Listing (save to the extent members may agree otherwise):

- (a) if the Equity Value is less than or equal to the Hurdle at the relevant time:
  - (i) each B Share and C Share shall be converted into one deferred share of £0.01 in the capital of the Company, the holders of which deferred shares shall



- (A) have no entitlement to receive notice of, attend at or vote at general meetings of the Company;
  - (B) have no entitlement to any dividends (interim or final) distributed by the Company; and
  - (C) have no entitlement to any return of capital by the Company to its Shareholders and in the event of any assets being available for distribution on a winding up of the Company, they shall only be entitled to a distribution of such assets after the amount of £2,000,000 has been paid on each of the ordinary shares.
- (b) if the Equity Value exceeds the Hurdle at the relevant time the B Shares shall be converted into Ordinary Shares and shall form one class of shares as would reflect the holders of the B Shares deriving an amount equal to the pro rata entitlement of the B Shares of the balance of the excess of the Equity Value over the Hurdle;
  - (c) the proportion of Ordinary Shares in which any B Shares shall be converted on the basis of the last preceding subparagraph shall be established on a best estimate basis as calculated by the Board or, in the event of a disagreement between the parties concerned, by the Auditors (or any person qualified to act as an auditor appointed by mutual agreement) who shall act as experts and not arbitrators and whose decision shall be final and binding on each of the parties;
  - (d) any conversion of B Shares into Ordinary Shares under this article shall be subject to the separate approval by special resolution of each class of Shareholders affected.

95.4 In the event of a winding up of the Company, the assets available for distribution (the "Distributable Assets") shall be apportioned between the Shareholders as follows:

- (a) if the value of the Distributable Assets is less than or equal to the Hurdle at the date of distribution, the Distributable Assets shall be apportioned to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held by each of them;
- (b) if the value of the Distributable Assets exceeds the Hurdle at the date of distribution the Distributable Assets shall be apportioned to the Shareholders as follows
  - (i) an amount equal to the Hurdle, pro rata to the number of Ordinary Shares held;
  - (ii) an amount equal to the amount paid up on the C Shares held; and
  - (iii) any amount equal to the balance of the Distributable Assets remaining after apportionments are made in accordance with subparagraph (b)(i) above to be apportioned pro rata to the

number of Ordinary Shares and B Shares held.

95.5 For the avoidance of doubt, for the purposes of this article 95, references to "Ordinary Shares" shall not be deemed to include the B Shares or the C Shares.

#### **HURDLE**

96.1 Not more than 15 Business Days prior to the date of completion of a Sale or Disposal of a Controlling Interest or the date of a Listing the Board shall determine the Hurdle by resolution of the directors at a board meeting in accordance with article 96 1.

96 2 The Hurdle shall be the sum of £90,000,000 adjusted as follows:

- (a) at the date of completion of a Sale or Disposal of a Controlling Interest or the date of a Listing, as the case may be, by:
  - (i) the deduction from such amount of the aggregate amount paid to the holders of the Ordinary Shares by way of a return of capital after 21 June 2010;
  - (ii) the deduction from such amount of the amount of any payments made at any time after 21 June 2010 by the Company to the holders of the Ordinary Shares in consideration of the purchase by the Company of Ordinary Shares; and
  - (iii) adding back to such amount the amount of any payment made to the Company by the holders of Ordinary Shares in respect of any rights or capitalisation issue.
- (b) at the date of completion of a Sale or Disposal of a Controlling Interest or the date of a Listing for such amounts as the Board deem appropriate to take account of any change to the capital of the Company prior to the Sale, Disposal of a Controlling Interest or Listing and not included in article 96.2(a). Provided such adjustment is economically neutral as to the value of the B Shares when compared to the value of the B Shares if the Hurdle had not been adjusted and the change to the capital of the Company had not occurred. In the event of any dispute as to the adjustment of the Hurdle the matter will be referred to the Auditors (or any person qualified to act as an auditor appointed by mutual agreement) who shall act as experts and not arbitrators and whose decision in respect of the adjustment shall be final and binding on each of the parties except in the case of manifest error.

#### **LEAVERS**

97 1 The provisions of articles 97.1 to 97 7 shall apply to any holder of B Shares or C Shares who is a Leaver and to any such Leaver's respective B Shares or C Shares.

97.2 In these articles:

- (a) a "Relevant Person" shall mean:
  - (i) an employee, consultant or director of the Company; or
  - (ii) an employee, consultant or director of any Group Company.
- (b) a "Leaver" shall mean any of the following:
  - (i) any holder of B Shares or C Shares who ceases to be a Relevant Person,
  - (ii) any holder of B Shares or C Shares who is a permitted transferee of any person who ceases to be a Relevant Person;
  - (iii) any holder of B Shares or C Shares who ceases to be the spouse, civil partner, cohabitee or partner of a Relevant Person, or
  - (iv) any person who becomes entitled to any B Shares or C Shares:
    - (A) on the bankruptcy of a holder of B Shares or C Shares (if an individual) or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding up (whether solvent or insolvent) of a holder of B Shares or C Shares (if a Company); or
    - (B) on the exercise of an option after ceasing to be a Relevant Person.

97.3 The Board may serve notice on any Leaver in writing or by e-mail (the "Transfer Notice") in respect of such number and class of B Shares or C Shares as they determine at any time during the 12 months following the occurrence of the event which gives rise to such shareholder being treated as a Leaver.

97.4 The Transfer Notice shall be delivered to the Leaver, and shall:

- (a) specify the number of B Shares or C Shares which shall comprise the shares held by the Leaver specified by the Transfer Notice (the "Sale Shares"); and
- (b) specify the price determined as at the Leaving Date in accordance with article 97.5 (the "Sale Price"); and
- (c) be deemed to constitute the Company as the Leaver's agent for the sale of the Sale Shares.

97.5 The Sale Price shall be the lower of the subscription price of the Sale Shares and the market value (the "Market Value") of the Sale Shares as the Leaver and the Company shall agree within 10 Business Days of the date of the deemed Transfer Notice or, failing such agreement, such price as the Auditors shall determine pursuant to article 97.6.

97.6 If the Market Value fails to be determined by the Auditors:

- (a) the Company shall immediately instruct the Auditors to determine the Market Value on the basis which, in their opinion, represents a fair price for the Sale Shares at the Leaving Date as between a willing seller and a willing buyer contracting on arm's length terms and, in making such determination, the Auditors shall take account of whether the Leaver's Shares comprise a majority or minority interest in the Company at such time, the fact that their transferability is restricted by these articles (but, for the avoidance of doubt, ignoring the fact that such Leaver's share can be subject to the compulsory transfer requirements of articles 97.1 to 97.7); and
- (b) the Auditors shall certify the Market Value as soon as possible after being instructed by the Company and in so certifying the Auditor's decision shall be binding and final on each of the parties save in the case of a manifest error.

97.7 Once the Market Value has been determined, within 3 months of such determination, at its discretion, the Company shall either purchase the Sale Shares at the Sale Price or make provision for an employee benefit trust to purchase the Sale Shares on the same basis.