

COMPANY NUMBER: 07147735

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

COMPLAINT HANDLING SERVICES LIMITED (the "Company")

On 27 November 2014 the following resolution was passed as a special resolution by the requisite majority of eligible members in accordance with Chapter 2 of Part 13 of the Companies Act 2006

**"Special Resolution"**

- 1 THAT the draft articles of association attached to this resolution and marked 'A' be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association "

Director





**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**COMPLAINT HANDLING SERVICES LIMITED**

Adopted by Special Resolution passed on

2014



LEICESTER MANCHESTER MILTON KEYNES  
NORTHAMPTON NORWICH

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## INTRODUCTION

### 1. Interpretation

1.1 In these Articles, unless the context otherwise requires the following expressions have the following meanings

"the Act"	the Companies Act 2006
"A Ordinary Share"	an 'A' ordinary share of £1.00 in the company and " <b>A Ordinary Shares</b> " will be construed accordingly
"Articles"	the company's articles of association for the time being in force
"B Ordinary Share"	a 'B' ordinary share of £1.00 in the company and " <b>B Ordinary Shares</b> " will be construed accordingly
"business day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business
"C Ordinary Share"	a 'C' ordinary share of £1.00 in the company and " <b>C Ordinary Shares</b> " will be construed accordingly
"Conflict"	the meaning given in <b>article 7.1</b>
"Current"	the meaning given in <b>article 19.8</b>
"eligible director"	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)

“Encumbrance”

includes any interest or equity of any person (including without prejudice to the generalities of the foregoing, any right to acquire, option, right of pre-emption) or any mortgage, charge, pledge, lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature over or in the relevant property

“FSMA”

The Financial Services and Markets Act 2000

“an Interested Director”

the meaning given in **article 7.1**

“Model Articles”

the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and “**Model Article**” will be construed accordingly

“No Sale Notice”

the meaning given to it in **article 19.5(ii)**

“Ordinary Shares”

the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares and “**Ordinary Shareholder**” and “**Ordinary Shareholders**” shall be construed accordingly

“Prescribed Price”

the meaning given to it in **article 19.3.6**

"Relevant Agreement"	any agreement entered into from time to time between each of the shareholders and the company relating to the ownership of shares in and/or the management of the affairs of the company or like matters
"share"	a share in the capital of the company whatever the class and " <b>shares</b> " shall be construed accordingly
"Sale Notice"	the meaning given to it in <b>article 19.5</b>
"Sale Shares"	the meaning given to it in <b>article 19.2.1</b>
"Selling Shareholder"	the meaning given to it in <b>article 19.2</b>
"shareholder"	a person who holds share(s) and " <b>shareholders</b> " shall mean the holders of all of the shares
"Special Consent"	the prior written approval of Carrington Carr Holdings Limited

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles will have the same meanings in these Articles, subject to which (and unless the context otherwise requires) words and expressions which have particular meanings in the Act will have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and will not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise

- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 5 1 any subordinate legislation from time to time made under it, and
- 1 5 2 any amendment or re-enactment
- and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms
- 1 7 The Model Articles will apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Model Articles 8(3), 9(3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and 17(3), 44(2), 48, 52 and 53 respectively will not apply to the company
- 1 9 Model Article 7 is amended by
- 1 9 1 the insertion of the words "*for the time being*" at the end of Model Article 7(2)(a), and
- 1 9 2 the insertion in Model Article 7(2) of the words "*(for so long as he remains the sole director)*" after the words "*and the director may*"
- 1 10 Model Article 20 is amended by the insertion of the words "*and the secretary (if any)*" before the words "*properly incur*"
- 1 11 In Model Article 25(2)(c), the words "*evidence, indemnity and the payment of a reasonable fee*" are deleted and replaced with the words "*evidence and indemnity*"
- 1 12 Model Article 27(3) is amended by the insertion of the words ", *subject to article 9,*" after the word "*But*"

1 13 Model Article 29 is amended by the insertion of the words "*, or the name of any person nominated under Model Article 27(2),*" after the words "*the transmittee's name*"

1 14 Model Articles 31(a) to (d) (inclusive) are amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*"

## **DIRECTORS**

### **2. Calling a directors' meeting**

Without prejudice to Model Article 7 (as amended) notice of a directors' meeting must be given to each director in writing

### **3. Number of directors**

Unless otherwise determined by ordinary resolution and subject to the terms of any Relevant Agreement, the number of directors will not be subject to any maximum but will not be less than one

### **4. Quorum for directors' meetings**

4 1 Subject to **article 4.2**, Model Article 7(2) the quorum for the transaction of business at a meeting of directors is any two eligible directors

4 2 For the purposes of any meeting (or part of a meeting) held pursuant to **article 7** to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) will be one eligible director

### **5. Casting vote**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting does have a casting vote

### **6. Transactions or other arrangements with the company**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the



requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- 6 1 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,
- 6 2 will be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 6 3 will be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 6 4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm will be entitled to remuneration for professional services as if he were not a director,
- 6 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
- 6 6 will not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him, as defined in section 252 of the Act) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement will be liable to be avoided on the grounds of any such interest or benefit nor will the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **7. Directors' conflicts of interest**

- 7 1 The directors may, in accordance with the requirements set out in this **article 7**, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director ("**an Interested Director**")

breaching his duty under section 175 of the Act to avoid conflicts of interest  
("Conflict")

7 2 Any authorisation under this **article 7** will be effective only if

7 2 1 the matter in question has been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

7 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

7 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7 3 Any authorisation of a Conflict under this **article 7** may (whether at the time of giving the authorisation or subsequently)

7 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

7 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

7 3 3 provide that the Interested Director will or will not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,

7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,

7 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise

than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and

7 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

7 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

7 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

7 6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

7 6 1 disclose such information to the directors or to any director or other officer or employee of the company, or

7 6 2 use or apply any such information in performing his duties as a director

where to do so would amount to a breach of that confidence

7 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in

each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

**8. Records of decisions to be kept**

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

**9. Appointment of directors**

9 1 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 had a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

9 2 For the purposes of **article 9.1**, 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 the older shareholder

**10. Secretary**

The directors may (but are not obliged to) appoint any person who is willing to act to be the secretary upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

**LIEN**

**11. Company's lien over shares**

11 1 The company has a lien ("**the company's lien**") over every share, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future

11 2 The company's lien over a share

11 2 1 takes priority over any third party's interest in that share, and

11 2 2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share

11 3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien will not be subject to it, either wholly or in part

**12. Enforcement of the company's lien**

12 1 Subject to the provisions of this **article 12**, if

12 1 1 a lien enforcement notice has been given in respect of a share, and

12 1 2 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

12 2 A lien enforcement notice

12 2 1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

12 2 2 must specify the share concerned,

12 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

12 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and

12 2 5 must state the company's intention to sell the share if the notice is not complied with

**12 3 Where shares are sold under this article 12**

12 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and

12 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

**12 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**

12 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and

12 4 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice

**12 5 A statutory declaration by a director or the 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**

12 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

12 5 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

## DECISION MAKING BY SHAREHOLDERS

### 13. Quorum for general meetings

The quorum for any general meeting of the company will be two shareholders present in person or proxy

### 14. Poll votes

14 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

14 2 Model Article 44(3) is amended by the insertion of the words "*A demand so withdrawn will not invalidate the result of a show of hands declared before the demand was made*" as a new paragraph at the end of that article

### 15. Proxies

15 1 Model Article 45(1)(d) is deleted and replaced with the words "*is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate*"

15 2 Model Article 45(1) is amended by the insertion of the words "*and a proxy notice which is not delivered in such manner will be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting*" as a new paragraph at the end of that article

## SHARES

### 16. Class and rights of shares

16 1 The share capital as at the date of the adoption of these articles is £200 00 divided into 110 A Ordinary Shares, 70 B Ordinary Shares, 20 C Ordinary Shares

16 2 The Ordinary Shares will rank *pari passu* as between themselves save in respect of dividends

16 3 Subject to the provisions of any Relevant Agreement, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than 75% of the aggregate number of shares of that class in respect of Ordinary Shares

**17. Allotting shares**

17 1 Subject to the terms of any Relevant Agreement and in any event save to the extent authorised from time to time by a special resolution of the shareholders, the directors will not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

17 2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act will not apply to an allotment of shares made by the company unless a resolution passed by the shareholders pursuant to **article 17.1** provides to the contrary

17 3 Unless otherwise agreed by special resolution, if the company proposes to allot any shares, those shares will not be allotted to any person unless the company has first offered them to all the Ordinary Shareholders (as if they have one class of Shares) on the same terms, and at the same price on a *pari passu* and *pro rata* basis to the number of Ordinary Shares held by those Ordinary Shareholders (as nearly as possible without involving fractions) Each such offer will be made by notice

17 3 1 specifying the total number of shares being offered to the Ordinary Shareholders and the price per share,

17 3 2 containing a statement to the effect that the shares are offered in the first instance to the Ordinary Shareholders in proportion to the number of the existing Ordinary Shares held by them respectively, but going on to invite each such Ordinary Shareholder to state in



his reply whether he wishes to acquire more or fewer shares than his proportionate entitlement and if so what number, and

17 3 3 stating the period (not being less than 14 days) in which the offer may be accepted

17 4 For the purposes of this **article 17.3**, an offer will be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a shareholder in respect of a lesser number of shares than his full proportionate entitlement. If all the Ordinary Shareholders do not accept the offer in respect of their respective proportions in full, the shares not so accepted will be used to satisfy any claims for additional shares (notified in response to the invitation referred to in **article 17.3.2**) as nearly as may be in proportion to the number of Ordinary Shares already held by the Ordinary Shareholders claiming additional shares, provided that no Ordinary Shareholder will be obliged to take more shares than he has applied for. If any shares are not capable of being offered to the Ordinary Shareholders in proportion to their existing holdings of Ordinary Shares, except by way of fractions, the same will be offered to the Ordinary Shareholders, or some of them, in such proportions as the directors may think fit. Any shares released from the provisions of this **article 17** by any such special resolution will be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit. No share will be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act.

17 5 Subject to the provisions of any such special resolution, any shares issued and allotted to an A Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as A Ordinary Shares.

17 6 Subject to the provisions of any such special resolution, any shares issued and allotted to a B Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as B Ordinary Shares.

17 7 Subject to the provisions of any such special resolution, any shares issued and allotted to a C Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as C Ordinary Shares.

**18. Permitted transfers of shares**

- 18 1 The directors will (subject to **article 22**) register the transfer of any Ordinary Shares to a company that is an undertaking (as defined in section 1161(1) of the Act), to any member of the same Group
- 18 2 For the purposes of this **article 18** "**Members of the same Group**" means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of any such parent undertaking
- 18 3 An Ordinary Shareholder may at any time transfer Ordinary Shares with the consent of all the Ordinary Shareholders
- 18 4 Subject to the terms of any Relevant Agreement an Ordinary Shareholder may at any time sell Ordinary Shares to the company in accordance with the provisions of the Act (and any such sale will be deemed to be a "transfer" of shares permitted by these Articles

**19. Pre-emption rights on transfer of Ordinary Shares**

- 19 1 Except in the cases of transfers of Ordinary Shares expressly authorised pursuant to **article 18** and subject to the terms of any Relevant Agreement the right to transfer Ordinary Shares will be subject to the following restrictions set out in **articles 19.2 to 19.8** (inclusive)
- 19 2 Any person (the "**Selling Shareholder**") proposing to transfer any of his Ordinary Shares will give notice in writing to the company that he desires to transfer the same and specifying
- 19 2 1 the number of Ordinary Shares which the Selling Shareholder wishes to sell ("**the Sale Shares**"),
- 19 2 2 whether or not the Selling Shareholder has received an offer from a third party for the Sale Shares and if so the identity of such third party and the price offered for the Sale Shares, and
- 19 2 3 whether or not the Selling Shareholder wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Sale Shares are sold pursuant to the following provisions of this **article 19** none shall be sold) but in the absence of such a statement the

Transfer Notice shall be deemed not to contain a Total Transfer Condition

The Transfer Notice will constitute the company the agent of the Selling Shareholder for the sale (with absolute title guarantee) of the Sale Shares together with all rights then attached thereto to any shareholders willing to purchase the same in accordance with the following provisions of this **article 19 ("Purchasing Members")** A Transfer Notice will not be revocable except with the sanction of the directors or except as expressly provided in this **article 19** A Transfer Notice will relate to one class of shares only (so that separate Transfer Notices are required in respect of proposed transfers of separate classes of shares)

19 3 The Sale Shares will be offered to the Ordinary Shareholders (other than the Selling Shareholder) ("**the relevant Shareholders**") as nearly as may be in proportion to the number of Ordinary Shares held by them respectively regardless of the class of such Sale Shares Each offer will be made by notice in writing (the "**Offer Notice**") and will

19 3 1 state the identity of the Selling Shareholder,

19 3 2 identify the Sale Shares, their class and the price per Sale Share specified in the Transfer notice,

19 3 3 state the number of the Sale Shares offered to the relevant Shareholder in question ("**the Pro-Rata Entitlement**"),

19 3 4 confirm whether or not there is a Total Transfer Condition attached to the Sale Shares,

19 3 5 contain a statement of the right of each relevant Shareholder to request a certificate of fair value under **article 19.4**, the form of such statement to be as near as circumstances permit to that of the first sentence of **article 19.4**,

19 3 6 contain a statement to the effect that each of the Sale Shares is being offered to the relevant Shareholders at the lower of the price specified in the Transfer Notice and (if applicable) its fair value certified in accordance with **article 19.4 ("the Prescribed Price")**,

- 19 3 7 state the period in which the offer may be accepted if no such certificate of fair value is requested (not being less than twenty-one days or more than forty-two days after the date of the Offer Notice),
- 19 3 8 contain a statement to the effect that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to the shareholders pursuant to **article 19.4** or until the expiry of the period referred to in **article 19.3.7** whichever is the later, and
- 19 3 9 contain a statement to, notwithstanding the Pro-Rata Entitlement, invite each relevant Shareholder to state in his reply whether he wishes to purchase more or fewer of the Sale Shares than his Pro-Rata Entitlement and if so what number (and the Offer Notice will be accompanied by a form of application for each such relevant Shareholder to use in applying for his Pro-Rata Entitlement (or part thereof) and, if relevant, any Sale Shares over and above such Pro-Rata Entitlement)

For the purposes of this **article 19** an offer will be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a relevant Shareholder in respect of a lesser number of Sale Shares than his full proportionate entitlement. If all the relevant Shareholders do not accept the offer in respect of their respective proportions in full, the Sale Shares not so accepted will be used to satisfy any claims for additional Sale Shares (notified in response to the invitation referred to in **article 19.3.2**) as nearly as may be in proportion to the number of Shares already held by the relevant Shareholders claiming additional shares, provided that no relevant Shareholder will be obliged to take more Sale Shares than he has applied for. If any Sale Shares are not capable of being offered to the relevant Shareholders in proportion to their existing holdings, except by way of fractions, the same will be offered to the relevant Shareholders, or some of them, in such proportions as the directors may think fit

- 19 4 Any Ordinary Shareholder may, not later than eight days after the date of the Offer Notice, serve on the company a notice in writing requesting that the Auditors certify in writing the sum which in their opinion represents the fair value of each of the Sale Shares as at the date of the Transfer Notice, calculated
- 19 4 1 on the basis of a sale between a willing seller and a willing purchaser of the Sale Shares,
  - 19 4 2 if the company is then carrying on business as a going concern, on the basis that it will continue to do so,
  - 19 4 3 on the basis that the Sale Shares are capable of being transferred without restrictions,
  - 19 4 4 disregarding any restriction attaching to the Sale Shares pursuant to these Articles, and
  - 19 4 5 valuing the Sale Shares as a rateable proportion of the total value of all of the issued Shares of the company

If the Auditors decline such appointment at their discretion then a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales, on the application of the directors or any shareholder on behalf of the company, will be instructed to give such certificate and all references in this **article 19** to the Auditors will include any person so nominated. Forthwith upon receipt of such notice, the company will instruct the Auditors to certify as aforesaid and the costs of producing such certificate will be apportioned among the Selling Shareholder and the Purchasing Members and borne by any one or more of them as the Auditors in their absolute discretion decide. In certifying the fair value as aforesaid the Auditors will be entitled to obtain professional valuations in respect of any of the company's assets and will be considered to be acting as experts and not as arbitrators and accordingly any provisions of law or statute relating to arbitration will not apply. Forthwith upon receipt of the certificate of the Auditors, the company will by notice in writing inform all the Ordinary Shareholders of the certified fair value of each Sale Share and the Prescribed Price (if different).

- 19 5 **EITHER** (i) (if the Transfer Notice does **not** contain a Total Transfer Condition) if Purchasing Members are found for all or any of the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**Sale Notice**") to the Selling Shareholder specifying the Purchasing Members and the number of Sale Shares to be purchased by each Purchasing Member and the Selling Shareholder will be bound, upon payment of the price due in respect of the Sale Shares specified in the Sale Notice, to transfer such Sale Shares to the Purchasing Members in question,
- OR** (ii) (if the Transfer Notice contains a Total Transfer Condition) if Purchasing Members are found for all the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**Sale Notice**") to the Selling Shareholder specifying the Purchasing Members and the number of Sale Shares to be purchased by each Purchasing Member and the Selling Shareholder will be bound, upon payment of the price due in respect of the Sale Shares specified in the Sale Notice, to transfer the Sale Shares to the Purchasing Members in question. If Purchasing Members are **not** found for all of the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**No Sale Notice**") to the Selling Shareholder stating that Purchasing Members have not been found for all of the Sale Shares
- 19 6 If in any case the Selling Shareholder after having become bound as aforesaid makes default in transferring any Sale Shares, the company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such Sale Shares on behalf of and as agent for the Selling Shareholder in favour of the Purchasing Members. The receipt of the company for the purchase money will be a good discharge to the Purchasing Members. The company will pay the purchase money into a separate bank account and will hold the same on trust for the Selling Shareholder.
- 19 7 Subject to the provisions of any Relevant Agreement and procedural requirements contained therein (i) if (the Transfer Notice contains a Total Transfer Condition) following a No Sale Notice given under **article 19.5(ii)** or

(ii) (if the Transfer Notice does **not** contain a Total Transfer Notice) following a Sale Notice given under **article 19.5(i)** the Selling Shareholder will, during the period of three months next following the expiry of the seven day period set out in **article 19.5(i) or 19.5(ii)** (as the case may be) be at liberty to transfer (i) if the Transfer Notice contains a Total Transfer Condition) all (but not some only) of the Sale Shares or (ii) (if the Transfer Notice does **not** contain a Total Transfer Condition) all or any of the Sale Shares which have not been accepted by Purchasing Members in either case, to any person or persons **PROVIDED THAT** the price per Sale Share obtained upon such Share transfer will in no circumstances be less than the Prescribed Price and the Selling Shareholder will upon request furnish such information to the directors as they require in relation to the price per Sale Share obtained as aforesaid. The directors may require to be satisfied that such Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer. For the avoidance of doubt the directors shall be entitled to refuse to register the instrument of transfer of the Sale Shares under this **article 19.7** if the proposed transferee is a competitor of the Business or (where the Transfer Notice contains a Total Transfer Condition) the instrument of transfer(s) is/are not in respect of all (but not some only) of the Sale Shares.

- 19.8 In this **article 19** a Transfer Notice is "**Current**" until such time as (i) the company has given a Sale Notice pursuant to **article 19.4** or (ii) the company has given a No Sale Notice pursuant to **article 19.5(ii)**. If a Transfer Notice is given or deemed to be given at a time when there is any Current Transfer Notice, such Transfer Notice will (notwithstanding any provision of these Articles to the contrary) be deemed to have been received and take effect immediately after the time when all Transfer Notices actually given before it have ceased to be Current.

## **20. Transfer of Shares – general**

- 20.1 Model Article 26(5) will be amended so the first word "*The*" is deleted and replaced with the words "*Subject at all times to compliance with section 771 of the Act the*".

- 20 2 Notwithstanding Model Article 26(5) (as amended) the directors may also refuse to register a transfer unless
- 20 2 1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and
- 20 2 2 it is in favour of not more than four transferees
- 20 3 Subject to the provisions of any Relevant Agreement, the directors will register a transfer of shares made pursuant to the foregoing provisions of these Articles, subject to the provisions of this **article 20**.
- 20 4 For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a Transfer Notice may be required to be given, the directors may from time to time require any shareholder or the legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request, the directors will be entitled to refuse to register the transfer in question
- 20 5 Any transfer or purported transfer of a share made otherwise than in accordance with the foregoing provisions of these Articles will be null and void and of no effect
- 20 6 The operation of **article 19** can be waived if Special Consent is first obtained in respect of the same
- 20 7 Any shares transferred to an A Ordinary Shareholder pursuant to these articles will be redesignated as A Ordinary Shares
- 20 8 Any shares transferred to a B Ordinary Shareholder pursuant to these articles will be redesignated as B Ordinary Shares



- 20 9 Any shares transferred to an C Ordinary Shareholder pursuant to these articles will be redesignated as C Ordinary Shares

## **ADMINISTRATIVE ARRANGEMENTS**

### **21. Consolidated share certificates**

- 21 1 When a shareholder's holding of shares increases, the company may issue that shareholder with

21 1 1 a single, consolidated certificate in respect of all the shares which that shareholder holds, or

21 1 2 a separate certificate in respect of only those shares by which that shareholder's holding has increased

- 21 2 When a shareholder's holding of shares is reduced, the company must ensure that the shareholder is issued with one or more certificates in respect of the number of shares held by the shareholder after that reduction. But the company need not (in the absence of a request from the shareholder) issue any new certificate if

21 2 1 all the shares which the shareholder no longer holds as a result of the reduction, and

21 2 2 none of the shares which the shareholder retains following that reduction

were, immediately before the reduction, represented by the same certificate

- 21 3 A shareholder may request the company, in writing, to replace

21 3 1 the shareholder's separate certificates with a consolidated certificate, or

21 3 2 the shareholder's consolidated certificate with two or more separate certificates representing such proportion of the shares as the shareholder may specify

21 4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so

21 5 A consolidated share certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

**22. Means of communication to be used**

22 1 Any notice, document or other information will be deemed served on or delivered to the intended recipient

22 1 1 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),

22 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

22 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

22 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this **article 22**, no account will be taken of any part of a day that is not a business day

- 22 2 In proving that any notice, document or other information was properly addressed, it will be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **23. Indemnity**

- 23 1 Subject to **article 23.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

23 1 1 each relevant officer will be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

23 1 2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in **article 23.1.1** and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

- 23 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

- 23 3 In this **article 23**

23 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

**24. Insurance**

24 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

24 2 In this **article 24**

24 2 1 a "**relevant officer**" means any director or other officer or former director or other office of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

24 2 2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

24 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
**OF**  
**COMPLAINT HANDLING SERVICES LIMITED**

Adopted by Special Resolution passed on 27 NOVEMBER 2014



COMPANIES HOUSE



LEICESTER MANCHESTER MILTON KEYNES  
NORTHAMPTON NORWICH

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## INTRODUCTION

### 1. Interpretation

1.1 In these Articles, unless the context otherwise requires the following expressions have the following meanings

"the Act"	the Companies Act 2006
"A Ordinary Share"	an 'A' ordinary share of £1 00 in the company and " <b>A Ordinary Shares</b> " will be construed accordingly
"Articles"	the company's articles of association for the time being in force
"B Ordinary Share"	a 'B' ordinary share of £1 00 in the company and " <b>B Ordinary Shares</b> " will be construed accordingly
"business day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business
"C Ordinary Share"	a 'C' ordinary share of £1 00 in the company and " <b>C Ordinary Shares</b> " will be construed accordingly
"Conflict"	the meaning given in <b>article 7.1</b>
"Current"	the meaning given in <b>article 19.8</b>
"eligible director"	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)

"Encumbrance"	includes any interest or equity of any person (including without prejudice to the generalities of the foregoing, any right to acquire, option, right of pre-emption) or any mortgage, charge, pledge, lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature over or in the relevant property
"FSMA"	The Financial Services and Markets Act 2000
"an Interested Director"	the meaning given in <b>article 7.1</b>
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and " <b>Model Article</b> " will be construed accordingly
"No Sale Notice"	the meaning given to it in <b>article 19.5(ii)</b>
"Ordinary Shares"	the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares and " <b>Ordinary Shareholder</b> " and " <b>Ordinary Shareholders</b> " shall be construed accordingly
"Prescribed Price"	the meaning given to it in <b>article 19.3.6</b>



"Relevant Agreement"	any agreement entered into from time to time between each of the shareholders and the company relating to the ownership of shares in and/or the management of the affairs of the company or like matters
"share"	a share in the capital of the company whatever the class and " <b>shares</b> " shall be construed accordingly
"Sale Notice"	the meaning given to it in <b>article 19.5</b>
"Sale Shares"	the meaning given to it in <b>article 19.2.1</b>
"Selling Shareholder"	the meaning given to it in <b>article 19.2</b>
"shareholder"	a person who holds share(s) and " <b>shareholders</b> " shall mean the holders of all of the shares
"Special Consent"	the prior written approval of Carrington Carr Holdings Limited

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles will have the same meanings in these Articles, subject to which (and unless the context otherwise requires) words and expressions which have particular meanings in the Act will have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and will not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise

- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 5 1 any subordinate legislation from time to time made under it, and
- 1 5 2 any amendment or re-enactment
- and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms
- 1 7 The Model Articles will apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Model Articles 8(3), 9(3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and 17(3), 44(2), 48, 52 and 53 respectively will not apply to the company
- 1 9 Model Article 7 is amended by
- 1 9 1 the insertion of the words "*for the time being*" at the end of Model Article 7(2)(a), and
- 1 9 2 the insertion in Model Article 7(2) of the words "*(for so long as he remains the sole director)*" after the words "*and the director may*"
- 1 10 Model Article 20 is amended by the insertion of the words "*and the secretary (if any)*" before the words "*properly incur*"
- 1 11 In Model Article 25(2)(c), the words "*evidence, indemnity and the payment of a reasonable fee*" are deleted and replaced with the words "*evidence and indemnity*"
- 1 12 Model Article 27(3) is amended by the insertion of the words "*, subject to article 9,*" after the word "*But*"

1 13 Model Article 29 is amended by the insertion of the words "*, or the name of any person nominated under Model Article 27(2),*" after the words "*the transmittee's name*"

1 14 Model Articles 31(a) to (d) (inclusive) are amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*"

## **DIRECTORS**

### **2. Calling a directors' meeting**

Without prejudice to Model Article 7 (as amended) notice of a directors' meeting must be given to each director in writing

### **3. Number of directors**

Unless otherwise determined by ordinary resolution and subject to the terms of any Relevant Agreement, the number of directors will not be subject to any maximum but will not be less than one

### **4. Quorum for directors' meetings**

4 1 Subject to **article 4.2**, Model Article 7(2) the quorum for the transaction of business at a meeting of directors is any two eligible directors

4 2 For the purposes of any meeting (or part of a meeting) held pursuant to **article 7** to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) will be one eligible director

### **5. Casting vote**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting does have a casting vote

### **6. Transactions or other arrangements with the company**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the

requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- 6 1 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,
- 6 2 will be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 6 3 will be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 6 4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm will be entitled to remuneration for professional services as if he were not a director,
- 6 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
- 6 6 will not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him, as defined in section 252 of the Act) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement will be liable to be avoided on the grounds of any such interest or benefit nor will the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **7. Directors' conflicts of interest**

- 7 1 The directors may, in accordance with the requirements set out in this **article 7**, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director ("**an Interested Director**")

breaching his duty under section 175 of the Act to avoid conflicts of interest  
("Conflict")

7 2 Any authorisation under this **article 7** will be effective only if

7 2 1 the matter in question has been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

7 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

7 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7 3 Any authorisation of a Conflict under this **article 7** may (whether at the time of giving the authorisation or subsequently)

7 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

7 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

7 3 3 provide that the Interested Director will or will not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,

7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,

7 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise

than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and

7 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

7 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

7 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

7 6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

7 6 1 disclose such information to the directors or to any director or other officer or employee of the company, or

7 6 2 use or apply any such information in performing his duties as a director

where to do so would amount to a breach of that confidence

7 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in

each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **8. Records of decisions to be kept**

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

## **9. Appointment of directors**

9 1 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 had a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

9 2 For the purposes of **article 9.1**, 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 the older shareholder

## **10. Secretary**

The directors may (but are not obliged to) appoint any person who is willing to act to be the secretary upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

## **LIEN**

## **11. Company's lien over shares**

11 1 The company has a lien ("**the company's lien**") over every share, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future

- 11 2 The company's lien over a share
- 11 2 1 takes priority over any third party's interest in that share, and
- 11 2 2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share
- 11 3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien will not be subject to it, either wholly or in part

**12. Enforcement of the company's lien**

- 12 1 Subject to the provisions of this **article 12**, if
- 12 1 1 a lien enforcement notice has been given in respect of a share, and
- 12 1 2 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
- 12 2 A lien enforcement notice
- 12 2 1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- 12 2 2 must specify the share concerned,
- 12 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- 12 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and
- 12 2 5 must state the company's intention to sell the share if the notice is not complied with



**12 3 Where shares are sold under this article 12**

12 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and

12 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

**12 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**

12 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and

12 4 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice

**12 5 A statutory declaration by a director or the 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**

12 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

12 5 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

## DECISION MAKING BY SHAREHOLDERS

### 13. Quorum for general meetings

The quorum for any general meeting of the company will be two shareholders present in person or proxy

### 14. Poll votes

14 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

14 2 Model Article 44(3) is amended by the insertion of the words "*A demand so withdrawn will not invalidate the result of a show of hands declared before the demand was made*" as a new paragraph at the end of that article

### 15. Proxies

15 1 Model Article 45(1)(d) is deleted and replaced with the words "*is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate*"

15 2 Model Article 45(1) is amended by the insertion of the words "*and a proxy notice which is not delivered in such manner will be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting*" as a new paragraph at the end of that article

## SHARES

### 16. Class and rights of shares

16 1 The share capital as at the date of the adoption of these articles is £200 00 divided into 110 A Ordinary Shares, 70 B Ordinary Shares, 20 C Ordinary Shares

16 2 The Ordinary Shares will rank pari passu as between themselves save in respect of dividends

16 3 Subject to the provisions of any Relevant Agreement, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than 75% of the aggregate number of shares of that class in respect of Ordinary Shares

**17. Allotting shares**

17 1 Subject to the terms of any Relevant Agreement and in any event save to the extent authorised from time to time by a special resolution of the shareholders, the directors will not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

17 2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act will not apply to an allotment of shares made by the company unless a resolution passed by the shareholders pursuant to **article 17.1** provides to the contrary

17 3 Unless otherwise agreed by special resolution, if the company proposes to allot any shares, those shares will not be allotted to any person unless the company has first offered them to all the Ordinary Shareholders (as if they have one class of Shares) on the same terms, and at the same price on a pari passu and pro rata basis to the number of Ordinary Shares held by those Ordinary Shareholders (as nearly as possible without involving fractions) Each such offer will be made by notice

17 3 1 specifying the total number of shares being offered to the Ordinary Shareholders and the price per share,

17 3 2 containing a statement to the effect that the shares are offered in the first instance to the Ordinary Shareholders in proportion to the number of the existing Ordinary Shares held by them respectively, but going on to invite each such Ordinary Shareholder to state in

his reply whether he wishes to acquire more or fewer shares than his proportionate entitlement and if so what number, and

17.3.3 stating the period (not being less than 14 days) in which the offer may be accepted

17.4 For the purposes of this **article 17.3**, an offer will be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a shareholder in respect of a lesser number of shares than his full proportionate entitlement. If all the Ordinary Shareholders do not accept the offer in respect of their respective proportions in full, the shares not so accepted will be used to satisfy any claims for additional shares (notified in response to the invitation referred to in **article 17.3.2**) as nearly as may be in proportion to the number of Ordinary Shares already held by the Ordinary Shareholders claiming additional shares, provided that no Ordinary Shareholder will be obliged to take more shares than he has applied for. If any shares are not capable of being offered to the Ordinary Shareholders in proportion to their existing holdings of Ordinary Shares, except by way of fractions, the same will be offered to the Ordinary Shareholders, or some of them, in such proportions as the directors may think fit. Any shares released from the provisions of this **article 17** by any such special resolution will be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit. No share will be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act.

17.5 Subject to the provisions of any such special resolution, any shares issued and allotted to an A Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as A Ordinary Shares.

17.6 Subject to the provisions of any such special resolution, any shares issued and allotted to a B Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as B Ordinary Shares.

17.7 Subject to the provisions of any such special resolution, any shares issued and allotted to a C Ordinary Shareholder pursuant to this **Article 17** will be designated (or redesignated (as the case may be)) as C Ordinary Shares.

**18. Permitted transfers of shares**

- 18 1 The directors will (subject to **article 22**) register the transfer of any Ordinary Shares to a company that is an undertaking (as defined in section 1161(1) of the Act), to any member of the same Group
- 18 2 For the purposes of this **article 18** “**Members of the same Group**” means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of any such parent undertaking
- 18 3 An Ordinary Shareholder may at any time transfer Ordinary Shares with the consent of all the Ordinary Shareholders
- 18 4 Subject to the terms of any Relevant Agreement an Ordinary Shareholder may at any time sell Ordinary Shares to the company in accordance with the provisions of the Act (and any such sale will be deemed to be a “transfer” of shares permitted by these Articles

**19. Pre-emption rights on transfer of Ordinary Shares**

- 19 1 Except in the cases of transfers of Ordinary Shares expressly authorised pursuant to **article 18** and subject to the terms of any Relevant Agreement the right to transfer Ordinary Shares will be subject to the following restrictions set out in **articles 19.2 to 19.8** (inclusive)
- 19 2 Any person (the “**Selling Shareholder**”) proposing to transfer any of his Ordinary Shares will give notice in writing to the company that he desires to transfer the same and specifying
- 19 2 1 the number of Ordinary Shares which the Selling Shareholder wishes to sell (“**the Sale Shares**”),
- 19 2 2 whether or not the Selling Shareholder has received an offer from a third party for the Sale Shares and if so the identity of such third party and the price offered for the Sale Shares, and
- 19 2 3 whether or not the Selling Shareholder wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Sale Shares are sold pursuant to the following provisions of this **article 19** none shall be sold) but in the absence of such a statement the

Transfer Notice shall be deemed not to contain a Total Transfer Condition

The Transfer Notice will constitute the company the agent of the Selling Shareholder for the sale (with absolute title guarantee) of the Sale Shares together with all rights then attached thereto to any shareholders willing to purchase the same in accordance with the following provisions of this **article 19 ("Purchasing Members")** A Transfer Notice will not be revocable except with the sanction of the directors or except as expressly provided in this **article 19** A Transfer Notice will relate to one class of shares only (so that separate Transfer Notices are required in respect of proposed transfers of separate classes of shares)

19 3 The Sale Shares will be offered to the Ordinary Shareholders (other than the Selling Shareholder) ("**the relevant Shareholders**") as nearly as may be in proportion to the number of Ordinary Shares held by them respectively regardless of the class of such Sale Shares Each offer will be made by notice in writing (the "**Offer Notice**") and will

19 3 1 state the identity of the Selling Shareholder,

19 3 2 identify the Sale Shares, their class and the price per Sale Share specified in the Transfer notice,

19 3 3 state the number of the Sale Shares offered to the relevant Shareholder in question ("**the Pro-Rata Entitlement**"),

19 3 4 confirm whether or not there is a Total Transfer Condition attached to the Sale Shares,

19 3 5 contain a statement of the right of each relevant Shareholder to request a certificate of fair value under **article 19.4**, the form of such statement to be as near as circumstances permit to that of the first sentence of **article 19.4**,

19 3 6 contain a statement to the effect that each of the Sale Shares is being offered to the relevant Shareholders at the lower of the price specified in the Transfer Notice and (if applicable) its fair value certified in accordance with **article 19.4 ("the Prescribed Price")**,

- 19 3 7 state the period in which the offer may be accepted if no such certificate of fair value is requested (not being less than twenty-one days or more than forty-two days after the date of the Offer Notice),
- 19 3 8 contain a statement to the effect that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to the shareholders pursuant to **article 19.4** or until the expiry of the period referred to in **article 19.3.7** whichever is the later, and
- 19 3 9 contain a statement to, notwithstanding the Pro-Rata Entitlement, invite each relevant Shareholder to state in his reply whether he wishes to purchase more or fewer of the Sale Shares than his Pro-Rata Entitlement and if so what number (and the Offer Notice will be accompanied by a form of application for each such relevant Shareholder to use in applying for his Pro-Rata Entitlement (or part thereof) and, if relevant, any Sale Shares over and above such Pro-Rata Entitlement)

For the purposes of this **article 19** an offer will be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a relevant Shareholder in respect of a lesser number of Sale Shares than his full proportionate entitlement. If all the relevant Shareholders do not accept the offer in respect of their respective proportions in full, the Sale Shares not so accepted will be used to satisfy any claims for additional Sale Shares (notified in response to the invitation referred to in **article 19.3.2**) as nearly as may be in proportion to the number of Shares already held by the relevant Shareholders claiming additional shares, provided that no relevant Shareholder will be obliged to take more Sale Shares than he has applied for. If any Sale Shares are not capable of being offered to the relevant Shareholders in proportion to their existing holdings, except by way of fractions, the same will be offered to the relevant Shareholders, or some of them, in such proportions as the directors may think fit.

- 19 4 Any Ordinary Shareholder may, not later than eight days after the date of the Offer Notice, serve on the company a notice in writing requesting that the Auditors certify in writing the sum which in their opinion represents the fair value of each of the Sale Shares as at the date of the Transfer Notice, calculated
- 19 4 1 on the basis of a sale between a willing seller and a willing purchaser of the Sale Shares,
- 19 4 2 if the company is then carrying on business as a going concern, on the basis that it will continue to do so,
- 19 4 3 on the basis that the Sale Shares are capable of being transferred without restrictions,
- 19 4 4 disregarding any restriction attaching to the Sale Shares pursuant to these Articles, and
- 19 4 5 valuing the Sale Shares as a rateable proportion of the total value of all of the issued Shares of the company

If the Auditors decline such appointment at their discretion then a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales, on the application of the directors or any shareholder on behalf of the company, will be instructed to give such certificate and all references in this **article 19** to the Auditors will include any person so nominated. Forthwith upon receipt of such notice, the company will instruct the Auditors to certify as aforesaid and the costs of producing such certificate will be apportioned among the Selling Shareholder and the Purchasing Members and borne by any one or more of them as the Auditors in their absolute discretion decide. In certifying the fair value as aforesaid the Auditors will be entitled to obtain professional valuations in respect of any of the company's assets and will be considered to be acting as experts and not as arbitrators and accordingly any provisions of law or statute relating to arbitration will not apply. Forthwith upon receipt of the certificate of the Auditors, the company will by notice in writing inform all the Ordinary Shareholders of the certified fair value of each Sale Share and the Prescribed Price (if different).



19 5 **EITHER** (i) (if the Transfer Notice does **not** contain a Total Transfer Condition) if Purchasing Members are found for all or any of the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**Sale Notice**") to the Selling Shareholder specifying the Purchasing Members and the number of Sale Shares to be purchased by each Purchasing Member and the Selling Shareholder will be bound, upon payment of the price due in respect of the Sale Shares specified in the Sale Notice, to transfer such Sale Shares to the Purchasing Members in question,

**OR** (ii) (if the Transfer Notice contains a Total Transfer Condition) if Purchasing Members are found for all the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**Sale Notice**") to the Selling Shareholder specifying the Purchasing Members and the number of Sale Shares to be purchased by each Purchasing Member and the Selling Shareholder will be bound, upon payment of the price due in respect of the Sale Shares specified in the Sale Notice, to transfer the Sale Shares to the Purchasing Members in question. If Purchasing Members are **not** found for all of the Sale Shares within the appropriate period specified in **article 19.3**, the company will not later than seven days after the expiry of such appropriate period give notice in writing (the "**No Sale Notice**") to the Selling Shareholder stating that Purchasing Members have not been found for all of the Sale Shares

19 6 If in any case the Selling Shareholder after having become bound as aforesaid makes default in transferring any Sale Shares, the company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such Sale Shares on behalf of and as agent for the Selling Shareholder in favour of the Purchasing Members. The receipt of the company for the purchase money will be a good discharge to the Purchasing Members. The company will pay the purchase money into a separate bank account and will hold the same on trust for the Selling Shareholder

19 7 Subject to the provisions of any Relevant Agreement and procedural requirements contained therein (i) if (the Transfer Notice contains a Total Transfer Condition) following a No Sale Notice given under **article 19.5(ii)** or

(ii) (if the Transfer Notice does **not** contain a Total Transfer Notice) following a Sale Notice given under **article 19.5(i)** the Selling Shareholder will, during the period of three months next following the expiry of the seven day period set out in **article 19.5(i) or 19.5(ii)** (as the case may be) be at liberty to transfer (i) if the Transfer Notice contains a Total Transfer Condition) all (but not some only) of the Sale Shares or (ii) (if the Transfer Notice does **not** contain a Total Transfer Condition) all or any of the Sale Shares which have not been accepted by Purchasing Members in either case, to any person or persons **PROVIDED THAT** the price per Sale Share obtained upon such Share transfer will in no circumstances be less than the Prescribed Price and the Selling Shareholder will upon request furnish such information to the directors as they require in relation to the price per Sale Share obtained as aforesaid. The directors may require to be satisfied that such Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer. For the avoidance of doubt the directors shall be entitled to refuse to register the instrument of transfer of the Sale Shares under this **article 19.7** if the proposed transferee is a competitor of the Business or (where the Transfer Notice contains a Total Transfer Condition) the instrument of transfer(s) is/are not in respect of all (but not some only) of the Sale Shares.

- 19.8 In this **article 19** a Transfer Notice is "**Current**" until such time as (i) the company has given a Sale Notice pursuant to **article 19.4** or (ii) the company has given a No Sale Notice pursuant to **article 19.5(ii)**. If a Transfer Notice is given or deemed to be given at a time when there is any Current Transfer Notice, such Transfer Notice will (notwithstanding any provision of these Articles to the contrary) be deemed to have been received and take effect immediately after the time when all Transfer Notices actually given before it have ceased to be Current.

## **20. Transfer of Shares – general**

- 20.1 Model Article 26(5) will be amended so the first word "*The*" is deleted and replaced with the words "*Subject at all times to compliance with section 771 of the Act the*"

20 2 Notwithstanding Model Article 26(5) (as amended) the directors may also refuse to register a transfer unless

20 2 1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and

20 2 2 it is in favour of not more than four transferees

20 3 Subject to the provisions of any Relevant Agreement, the directors will register a transfer of shares made pursuant to the foregoing provisions of these Articles, subject to the provisions of this **article 20**.

20 4 For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a Transfer Notice may be required to be given, the directors may from time to time require any shareholder or the legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request, the directors will be entitled to refuse to register the transfer in question

20 5 Any transfer or purported transfer of a share made otherwise than in accordance with the foregoing provisions of these Articles will be null and void and of no effect

20 6 The operation of **article 19** can be waived if Special Consent is first obtained in respect of the same

20 7 Any shares transferred to an A Ordinary Shareholder pursuant to these articles will be redesignated as A Ordinary Shares

20 8 Any shares transferred to a B Ordinary Shareholder pursuant to these articles will be redesignated as B Ordinary Shares

- 20 9 Any shares transferred to an C Ordinary Shareholder pursuant to these articles will be redesignated as C Ordinary Shares

## **ADMINISTRATIVE ARRANGEMENTS**

### **21. Consolidated share certificates**

- 21 1 When a shareholder's holding of shares increases, the company may issue that shareholder with

21 1 1 a single, consolidated certificate in respect of all the shares which that shareholder holds, or

21 1 2 a separate certificate in respect of only those shares by which that shareholder's holding has increased

- 21 2 When a shareholder's holding of shares is reduced, the company must ensure that the shareholder is issued with one or more certificates in respect of the number of shares held by the shareholder after that reduction But the company need not (in the absence of a request from the shareholder) issue any new certificate if

21 2 1 all the shares which the shareholder no longer holds as a result of the reduction, and

21 2 2 none of the shares which the shareholder retains following that reduction

were, immediately before the reduction, represented by the same certificate

- 21 3 A shareholder may request the company, in writing, to replace

21 3 1 the shareholder's separate certificates with a consolidated certificate, or

21 3 2 the shareholder's consolidated certificate with two or more separate certificates representing such proportion of the shares as the shareholder may specify

21 4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so

21 5 A consolidated share certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

**22. Means of communication to be used**

22 1 Any notice, document or other information will be deemed served on or delivered to the intended recipient

22 1 1 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),

22 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

22 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

22 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this **article 22**, no account will be taken of any part of a day that is not a business day

- 22 2 In proving that any notice, document or other information was properly addressed, it will be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **23. Indemnity**

- 23 1 Subject to **article 23.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

23 1 1 each relevant officer will be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

23 1 2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in **article 23.1.1** and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

- 23 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

- 23 3 In this **article 23**

23 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

**24. Insurance**

24 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

24 2 In this **article 24**

24 2 1 a "**relevant officer**" means any director or other officer or former director or other office of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

24 2 2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

24 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate