

Company number 07216589

EXLB LIMITED

SPECIAL RESOLUTION

I hereby certify that the following resolution was passed as a special resolution on 10 August 2010:

"That the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company"

Certified a true copy



for and on behalf of
Barlow Lyde & Gilbert LLP

THURSDAY



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COMPANIES HOUSE

Company Number: 07216589

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

EXLB LIMITED

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

EXLB LIMITED

(Adopted by special resolution passed on July 2010)

INTRODUCTION

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1. INTERPRETATION

1 1 In these Articles, the following words have the following meanings:

Act: the Companies Act 2006;

Adoption Date: the date on which these Articles are adopted as the Articles of Association of the Company;

appointor: has the meaning given in Article 12 1,

Articles: the Company's articles of association for the time being in force;

B Ordinary Shares: a B ordinary share of £1 in the capital of the Company;

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,

Conflict: has the meaning given in Article 9 1;

director: the directors appointed to the company whether they are a GD Director or an NL Director;

Drag Along Notice: a notice given by the Forcing Sellers in accordance with Article 16.14;

Eligible Director: any Eligible GD Director or Eligible NL Director (as the case may be);

Eligible GD Director: a GD Director who would be entitled to vote on the matter at a meeting of directors,

Eligible NL Director: an NL Director who would be entitled to vote on the matter at a meeting of directors;

Execcover Limited: a company registered in England and Wales with company number 6686913 and whose registered office is at 2 County Gate, Staceys Street, Maidstone, Kent ME14 1ST,

Expert: an independent firm of accountants appointed by the Shareholders or (in the absence of agreement between the Shareholders on the expert or his terms of appointment within 10 Business Days of a Shareholder serving details of a suggested expert on the others) an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales or next available senior officer (acting as an expert and not as an arbitrator);

Fair Value: in relation to Shares, as determined in accordance with Article 17 5;

Family Trust: a trust where

- (i) no one other than a Shareholder or any of his Privileged Relations is currently entitled to the income of the trust fund and no power has been exercised (whether revocably or irrevocably) to confer a beneficial interest in any part of the income or capital of the trust fund which comprises Shares (other than as a default beneficiary) upon any beneficiary other than the Shareholder and any of his Privileged Relations; or
- (ii) the discretionary objects of the trust include the Shareholder and his Privileged Relations but no power has been exercised (whether revocably or irrevocably) to confer a beneficial interest in any part of the income or capital of the trust fund which comprises Shares (other than as a default beneficiary) upon any beneficiary other than the Shareholder and any of his Privileged Relations.

For this definition, **default beneficiary** means a beneficiary whose beneficial interest would only arise following the death of the Shareholder and all of his Privileged Relations or at the termination of the trust period of the trust concerned;

Forcing Sellers: those Shareholders who together hold in excess of 51 per cent by nominal amount of the issued Shares,

Forcing Sellers' Shares: all of the Shares held by the Forcing Sellers or at least such number of Shares held by the Forcing Sellers that is equal to 51 per cent by nominal amount of the issued Shares,

GD Director: Gary Denham or someone appointed as a GD director in accordance with Article 11;

Interested Director: has the meaning given in Article 9 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 Adoption Date;

NL Director: Joseph Noel Leonard or someone appointed as an NL Director in accordance with Article 11;

Original Shareholder: a Shareholder who transfers his shares to a Permitted Transferee as described in Article 15.7,

Other Members: all Shareholders other than the Forcing Sellers and including for the purposes of Article 16.15 only the holder of the B Ordinary Shares,

Permitted Group: in relation to a company (wherever incorporated), any wholly-owned subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time;

Permitted Transfer: a transfer of Shares made pursuant to Article 15.2 or 15.3;

Permitted Transferee: a person or body to whom Shares are transferred pursuant to Article 15.2 or 15.3 and a person is regarded as the Permitted Transferee of a Shareholder if the Shares held by such person have been transferred as a result of one or more successive Permitted Transfers the first of which was a transfer by such Shareholder,

Privileged Relation: the spouse or widow or widower of the Shareholder, the Shareholder's children and remoter issue (including step and adopted children and their issue) and step and adopted children of the Shareholder's children and remoter issue) the Shareholder's parents, brothers, sisters and children and remoter issue of the Shareholder's brothers and sisters;

Proposed Purchaser: a proposed purchaser who at the relevant time has made a bona fide offer on arm's length terms for all the Forcing Sellers' Shares;

Proposing Transferor: any person proposing or required to transfer any Shares but excluding any transfer that constitutes a Permitted Transfer;

Share: an ordinary share of £1 in the capital of the Company but not including the B Ordinary Shares;

Shareholder: the holder of any Shares from time to time,

Subsidiary: in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act and any other company which is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company. Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time,

Tag Along Shares: Shares which are sold pursuant to an offer received in accordance with Article 16.13,

Transfer Notice: an irrevocable notice in writing given by any holder of Shares to the other holders of Shares where the first Shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any

Shares Where such notice is deemed to have been served it shall be referred to as a **Deemed Transfer Notice**,

Writing or written: 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, save that, for the purposes of Articles 15, 16 and 17, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the Adoption Date
- 1 3 Headings in these Articles are used for convenience only and shall 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 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force

2. ADOPTION OF THE MODEL ARTICLES

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation A copy of the Model Articles is set out in the Schedule to these Articles.
- 2 2 Articles 6(2), 7, 8, 9(1), 11 to **Error! Reference source not found.** (inclusive), 15, 16, 21, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.

- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur"
- 2.4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2.5 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 4
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it.
- 3.4 Each director has one vote at a meeting of directors.
- 3.5 If at any time at or before any meeting of the directors or of any committee of the directors the GD Director participating or the NL Director participating requests that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this Article more than once.
- 3.6 A committee of the directors must include the GD Director and the NL Director. The provisions of Articles 7 and 8 shall apply equally to meetings of any committee of the directors as to meetings of the directors

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4 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.
- 4 2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4 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 to vote on the matter.

5. NUMBER OF DIRECTORS

The number of directors shall be two made up of one GD Director and one NL Director

6. CALLING A DIRECTORS' MEETING

- 6 1 Either director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the other director) to the other director or by authorising the Company secretary (if any) to give such notice
- 6 2 Notice of any directors' meeting must be accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (b) copies of any papers to be discussed at the meeting.
- 6 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7 1 The quorum at any meeting of the directors shall be one Eligible GD Director (or his alternate) and one Eligible NL Director (or his alternate) No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place.

- 7 2 If at any time there is only one Eligible Director available because the other director is not entitled to vote on the matter (or if there are no Eligible Directors available because neither of them are entitled to vote on the matter), then the matter shall be referred to the Shareholders who may determine matters as they see fit including (for this purpose only) appointing an individual to take the place of the director(s) who has been disqualified from voting on the matter or forming a quorum until the matter in question has been determined.

8. CHAIRING OF DIRECTORS' MEETINGS

The post of chairman of the directors will be held by the GD Director but, subject to Article 12, not his alternate. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the NL Director will act as chairman at the meeting.

9. DIRECTORS' INTERESTS

- 9 1 For the purposes of section 175 of the Act, the Shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (a **Conflict**).
- 9 2 The Interested Director must provide the Shareholders with such details as are necessary for the Shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the Shareholders.
- 9 3 Any authorisation by the Shareholders of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
 - (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Shareholders think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a

third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

9 4 Where the Shareholders authorise a Conflict:

- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Shareholders in relation to the Conflict, and
- (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the Shareholders impose in respect of their authorisation.

9 5 The Shareholders 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.

9 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, Execcover Limited, and shall be an Eligible Director in relation to any resolution related to such company, and no authorisation under Article 9.1 shall be necessary in respect of any such interest.

9 7 The directors shall be entitled from time to time to disclose to the holders of the Shares such information concerning the business and affairs of the Company as they shall at their discretion see fit.

9 8 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 Shareholders in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9.9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other

directors before the Company enters into the transaction or arrangement in accordance with the Act

- 9 10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 9 9.
- 9 11 Subject to Article 9.6 and, where applicable, to any terms and conditions imposed by the Shareholders in accordance with Article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
 - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested including, but not limited to, Execcover Limited; and
 - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (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 shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

10. RECORDS OF DECISIONS TO BE KEPT

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

11. APPOINTMENT AND REMOVAL OF DIRECTORS

11.1 Gary Denham may, at any time and from time to time, remove any GD Director (including himself) from office or appoint any person to be a GD Director (including himself). Such removal or appointment shall be effected by notice to the Company signed by or on behalf of Gary Denham and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. This Article is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as a GD Director or of any appointment terminating with that as a GD Director.

11.2 Joseph Noel Leonard may, at any time and from time to time, remove any NL Director (including himself) from office or appoint any person to be an NL Director (including himself). Such removal or appointment shall be effected by notice to the Company signed by or on behalf of Joseph Noel Leonard and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. This Article is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as an NL Director or of any appointment terminating with that as an NL Director.

11.3 If:

- (a) a director resigns from office, or
- (b) a director is disqualified from holding office pursuant to the Company Directors Disqualification Act 1986, or
- (c) a director becomes bankrupt or makes any arrangement or compromise with his creditors generally; or
- (d) a registered medical practitioner who is treating a director 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, or

- (e) by reason of a director's mental health, a court makes an order which wholly or partially prevents that person from personally exercising any powers or rights which that person would otherwise have,

he shall immediately be disqualified from holding office and shall cease to be a director of the Company

11.4 If the GD Director or the NL Director shall die or be removed from or vacate office for any cause, Gary Denham or Joseph Neil Leonard (as the case may be) or failing him the Shareholders shall appoint in his place another Shareholder to be a GD Director or an NL Director (as the case may be)

11.5 Save as provided by law, no director shall be appointed or removed otherwise than pursuant to these Articles

12. ALTERNATE DIRECTORS

12.1 Any director (other than an alternate director) (in this article, the **appointor**) may appoint any person to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor. In these Articles, where the context so permits, the term "GD Director" or "NL Director" shall include an alternate director appointed by a GD Director or an NL Director (as the case may be). A person may only be appointed as an alternate director by one director.

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

12.3 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 he is willing to act as the alternate of the director giving the notice

12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor

12.5 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,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

12.6 A person who is an alternate director

- (a) may be counted as a separate person as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating) even if one director is also acting as an alternate for the other director, and
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate), but
- (c) shall not be entitled to be chairman under Article 8 except with the consent of the other director or his alternate.

12.7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an Eligible Director in relation to that decision).

12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.

12.9 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; or
- (c) when the alternate director's appointor ceases to be a director for whatever reason

SHARES

13. GENERAL

- 13 1** The B Ordinary Shares are personal to Gary Denham and, save under the Drag Along provisions set out in Article 16 and the Obligatory Transfer provisions set out in Article 17, are not transferable. No further B Ordinary Shares shall be allotted or granted to any person beyond those held by Gary Denham on the Adoption date.
- 13 2** The holder of the B Ordinary Shares shall not be entitled to any dividends paid or payable by the Company.
- 13.3** On a return of assets whether on a winding up or reduction of capital or otherwise the assets and retained profits of the Company available for distribution among the members shall be distributed first in the payment of any unpaid arrears or accruals of dividend and then the payment of £1 per B Ordinary Share. Thereafter the holders of the B Ordinary Shares will not be entitled to receive anything further and any assets or retained profits of the Company available for distribution will be divided equally among the Shareholders in proportion to their holding of Shares.
- 13.4** The B Ordinary Shares are not entitled to any class rights and have no right to prevent any alteration to the Articles nor any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares nor other alteration in the share capital of the Company nor the alteration of any rights attaching to any share capital nor any resolution to put the Company into liquidation or to wind it up nor in respect of any other matter whatsoever.
- 13 5** No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) the holders of at least 75% of the Shares for the time being have consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 13 6** In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent to that allotment of every Shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

14. FURTHER ISSUES OF SHARES: AUTHORITY

14 1 No Shares shall be allotted or granted (as the case may be) to any person unless the Company has, in the first instance, offered such Shares to all Shareholders on the same terms and at the same price as such Shares are being offered to such other person on a pari passu and pro rata basis to the number of Shares held by such holders (as nearly as may be without involving fractions). Such offer:

- (a) shall stipulate a time not exceeding seven days within which it must be accepted or in default will lapse; and
- (b) may stipulate that any Shareholders who desire to subscribe for in excess of the proportion to which each is entitled shall in their acceptance state how many excess Shares they wish to subscribe for

14 2 Any Shares not accepted by Shareholders pursuant to the offer made to them in accordance with Article 14.1 above shall be used for satisfying any requests for excess Shares made pursuant to Article 14.1(b) above and:

- (a) in case of competition, such excess Shares shall be allotted to the applicants in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Shares; and
- (b) thereafter, any excess Shares may be offered by the directors to any other person at the same price and on the same terms as the offer to the Shareholders.

14 3 Subject to Article 13 and the remaining provisions of this Article 14, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; or
- (c) otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the directors think proper.

14 4 The authority referred to in Article 14 3 shall

- (a) be subject to such limit (if any) authorised from time to time by the Shareholders by ordinary resolution,
- (b) shall only apply insofar as the Shareholders have not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date, save that the directors may make an offer or agreement which would, or

might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

15. SHARE TRANSFERS

15 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that Share, and reference to a share includes a beneficial or other interest in a Share.

15 2 Subject to Article 15.7, any Shareholder which is a body corporate may transfer any Shares to any member of the Permitted Group in relation to such body corporate without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in Article 16 provided always that the transferee gives an undertaking to the Company (in terms reasonably acceptable to the Company) that if any such transferee ceases to be a member of the Permitted Group in relation to such body corporate, immediately prior to it so ceasing, such Shares shall be transferred to another member of the Permitted Group of the body corporate.

15 3 Subject to Article 15.7, any Shareholder may at any time transfer (or by will bequeath) all or any Shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in Article 16 and upon the death of a Shareholder, his personal representatives may transfer any shares held by the Shareholder to a Privileged Relation of that Shareholder.

15 4 Where a transfer is proposed to a Family Trust the directors shall be entitled to be satisfied:

- (a) that the trust is a Family Trust, and
- (b) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

15 5 Where any Shares are held by trustees upon a Family Trust:

- (a) on any change of trustees, such Shares may be transferred to the new trustees of that Family Trust,
- (b) such Shares may be transferred at any time to another Family Trust of the Shareholder or to any Privileged Relation of the Shareholder; and
- (c) if and whenever any such Shares cease to be held upon a Family Trust (except in consequence of a transfer to the Original Shareholder or to any of his Privileged Relations) a Transfer Notice (as referred to in Article 16)

shall be deemed to have been given on such cessation in respect of the Shares in the Company held in the Family Trust.

15.6 No Shareholder shall transfer any Share except

- (a) with the prior written consent of the Shareholders representing 75% of the other Shares then in issue; or
- (b) as a Permitted Transfer in accordance with Articles 15.2 or 15.3 or pursuant to the Tag along or Drag along provisions under Article 16; or
- (c) a Shareholder may transfer all (but not some only) of his Shares to any person for cash and not on deferred terms in accordance with the procedure set out in Article 16; or
- (d) as an Obligatory Transfer in accordance with Article 17

15.7 Where an Original Shareholder transfers his Shares to a Permitted Transferee under Articles 15.2 or 15.3 and a Permitted Transferee ceases to be a member of the Permitted Group or a Privileged Relation or a Family Trust, the Permitted Transferee must, not later than the date five Business Days after the date on which it so ceases, transfer all (but not some only) of the Shares back to the Original Shareholder or to a member of the same Permitted Group as the Original Shareholder (which in either case is not in liquidation), or to another Privileged Relation or Family Trust of the Original Shareholder failing which the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares

16. TRANSFERS OF SHARES

16.1 Subject to Article 15, before transferring any Shares or any interest in any Shares the person proposing to transfer the same (the **Offeror**) shall give notice in writing (**Transfer Notice**) to the Company which shall:

- (a) state the number of Shares he wishes to transfer or the interest therein (the **Offered Shares**);
- (b) state the full name and address of the proposed offeree (if any);
- (c) state the price per share at which he proposes to transfer the Offered Shares; and
- (d) enclose the certificates for the Offered Shares.

A Transfer Notice may not be revoked except as provided below.

16.2 The Transfer Notice shall constitute the Company the agent of the Offeror for the sale of the Offered Shares (together with all rights then attached thereto) in accordance with the provisions of this Article.

- 16.3 The Company shall, within ten days after receipt of a Transfer Notice, give notice to all holders of Shares (other than the Offeror and any member in respect of whose Shares a Transfer Notice is deemed to have been given) (an **Offer Notice**) offering the Offered Shares for sale at the Prescribed Price (the **Offer**).
- 16.4 For the purposes of this Article 16 the "Prescribed Price" means a price per share of:
- (a) the price stated in the Transfer Notice as being the price at which the Offeror proposes to transfer Shares to the proposed offeree, or
 - (b) if there is no proposed offeree, the price at which the Offeror is prepared to sell the Offered Shares
- 16.5 The Transfer Notice shall state a period (the **Acceptance Period**) (being not less than 5 days nor more than 28 days) within which the Offer must be accepted or in default will lapse provided that in the case of an Obligatory Transfer Notice under Article 17 where the Prescribed Price is to be the Fair Value determined by an Expert, the Acceptance Period shall be not less than five days nor more than 28 days after the Shareholders have been notified in writing of the Fair Value as so determined
- 16.6 Any Shareholder who wishes to buy all or any of the Offered Shares at the Prescribed Price (an **Accepting Member**) shall serve notice on the Company in writing (an **Acceptance Notice**) within the Acceptance Period stating the maximum number of the Offered Shares he is willing to acquire. An Acceptance Notice shall be irrevocable
- 16.7 If there is competition for the Offered Shares the Company shall allocate the Offered Shares in the proportion (as nearly as may be without involving fractions or increasing the number sold to any Accepting Member beyond that applied for by him) that the number of the Shares held by each Shareholder bears to the total number of Shares in issue at that time excluding the Offered Shares;
- 16.8 The Company shall immediately after the expiry of the Acceptance Period notify the Offeror in writing of the Accepting Members and (subject to the terms of Article 16.10) he shall be bound, upon payment of the Prescribed Price, to transfer to the Accepting Members such number of the Offered Shares as the Company specifies. The transfer of the Shares and payment of the Prescribed Price shall take place at the place and time (not less than ten nor more than fourteen days after the expiry of the Acceptance Period) specified by the Company.
- 16.9 Notwithstanding any provisions in these Articles, the Offeror may withdraw his Transfer Notice by notice in writing given to the Company
- (a) within seven days after being notified that not all of the Offered Shares have been accepted by other members of the Company; or

- (b) if the Prescribed Price for all the Offered Shares agreed to be sold is not duly tendered to the Offeror in accordance with Article 16.8

16.10 If a Transfer Notice is withdrawn in either of the events specified in Article 16.9 any acceptance of the Offered Shares by the Accepting Members shall lapse and the Offeror shall be at liberty to sell the Offered Shares pursuant to Article 16.11.

16.11 If all or any of the Offered Shares have not been accepted by other holders of Shares or if such acceptances have lapsed under Article 16.10, the Offeror may at any time within 30 days after the expiry of the Acceptance Period transfer the unsold Offered Shares to a third party on a bona fide sale at any price (which shall not be less than the Prescribed Price) provided that:

- (a) if the identity of any such offeree is different from that stated in the Transfer Notice (or if none is stated) the transfer to such third party shall be subject to the prior approval in writing of the identity of the transferee of the directors, and
- (b) the terms of Article 18.3 have been complied with (if appropriate) before registration of any transfer to such third party

The Offeror shall not be bound to sell any of the Offered Shares under this Article 16 unless the Accepting Members taken together have accepted in respect of all the Offered Shares.

16.12 If any Offeror fails or refuses to transfer the Offered Shares to an Accepting Member in accordance with this Article 16, the directors may authorise some other person to execute and deliver on his behalf a transfer of the Offered Shares. The Company may give a good receipt for the purchase price and hold the purchase price on trust for the Offeror but without interest, cause the transferee to be registered as the holder of such shares and issue to it certificates for the same. The Offeror shall be bound to deliver up the certificate for the Offered Shares and after he does so he shall be entitled to receive the purchase price. The receipt of the Company for the purchase money shall be a good discharge to the Accepting Member (who shall not be bound to see to the application thereof) and after the Accepting Member has been registered in purported exercise of such powers the validity of the proceedings shall not be questioned by any person.

Tag along

16.13 If a Shareholder proposes to transfer any Shares (other than a Permitted Transfer) which, when aggregated with any transfers made in the previous 12 month period by that Proposing Transferor include more than 50.1% per cent in nominal amount of the Shares in issue at the commencement of such 12 month period, the Proposing Transferor will not be entitled to sell any Shares unless the proposed purchaser(s) of such Shares:

- (a) shall have offered to purchase from each holder of any Shares such proportion of Shares held by each such shareholder (**Tag Along Shares**) as is equal to the proportion which the Shares (as the case may be) being sold by the Proposing Transferor (during the previous 12 months, if applicable) bears to the total holding of Shares (including the shares to be sold) (at the commencement of the 12 month period, if applicable); and
- (b) shall, in respect of any holder of any Shares who accepts the offer referred to in paragraph (a) above, acquire from that holder the Tag Along Shares on the same terms as to price and no worse terms overall simultaneously with the acquisition from the Proposing Transferor of the Shares.

Drag along

- 16.14 If at any time the Forcing Sellers intend to sell the Forcing Sellers' Shares to a Proposed Purchaser who has made a bona fide offer on arm's length terms for the entire issued share capital of the Company, the Forcing Sellers shall have the right to give to the Company a Drag Along Notice that the Forcing Sellers intend to sell the Forcing Sellers' Shares (**Drag Along Notice**). The Drag Along Notice will include details of:
- (a) the number and class(es) of the Forcing Sellers' Shares,
 - (b) the identity of the Proposed Purchaser;
 - (c) the proposed price to be paid by the Proposed Purchaser, for each of the Forcing Sellers' Shares,
 - (d) the proposed place, date and time of completion of the proposed purchase, which shall not be less than 14 days from the date of the Drag Along Notice (**Completion**); and
 - (e) subject to Article 16.16, a term extending the offer to all the other Shareholders and holders of B Ordinary Shares for their shares.
- 16.15 The directors shall promptly send the Drag Along Notice to each of the Other Members and require each of them to sell to the Proposed Purchaser at Completion all of their Shares and B Ordinary Shares on the terms set out in these Articles or contained in the Drag Along Notice
- 16.16 Each Other Member shall sell all of his Shares referred to in the Drag Along Notice at the highest price proposed to be paid for a Forcing Sellers' Share to be sold to the Proposed Purchaser on Completion by the Forcing Sellers and on the terms set out in the Drag Along Notice and on no less favourable terms such sale being effected simultaneously with the acquisition of the Forcing Sellers' Shares. The holder of the B Ordinary Shares shall sell the B Ordinary Shares to the Proposed Purchaser on Completion for a price of £1 per B Ordinary Share and otherwise on the terms set

out in the Drag Along Notice such sale being effected simultaneously with the acquisition of the Forcing Sellers' Shares.

- 16 17 No member shall be required to comply with a Drag Along Notice unless the Forcing Sellers shall sell the Forcing Sellers' Shares to the Proposed Purchaser on Completion, subject at all times to the Forcing Seller being able to withdraw the Drag Along Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Drag Along Notice shall cease to have effect.

17. OBLIGATORY TRANSFERS

- 17 1 If any of the following events (**Obligatory Transfer Events**) happen to a Shareholder (which term in this Article only includes a holder of B Ordinary Shares) (in this article, the **Seller**), it shall, subject to Article 17 2, give notice in writing (**Obligatory Transfer Notice**) to the other Shareholders (in this article, the **Buyer**) as soon as possible, which shall include details of the Obligatory Transfer Event:

- (a) the passing of a resolution for the liquidation of the Shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's Group (the structure of which has been previously approved by the Buyer in writing) in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder, or
- (b) the presentation at court by any competent person of a petition for the winding up of the Shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or
- (c) a change of control (as control is defined in section 840 of the Income and Corporation Taxes Act 1988) of the Shareholder although in the case of a Permitted Transferee that ceases to be a member of the Permitted Group, it shall transfer the shares back to the Original Shareholder or to another Permitted Transferee in accordance with article 15 7 rather than serve a Transfer Notice under this Article; or
- (d) the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder, a notice of appointment of an administrator to the Shareholder or an application for an administration order in respect of the Shareholder; or
- (e) any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Shareholder other than any such step that is taken on a frivolous or vexatious basis; or
- (f) the Shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (g) the Shareholder entering into a composition or arrangement with its creditors, or

- (h) any chargor taking any step (otherwise than on a frivolous or vexatious basis) to enforce any charge created over any shares held by the Shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
- (i) a process having been instituted that could lead to the Shareholder being dissolved and its assets being distributed among the Shareholder's creditors, shareholders or other contributors; or
- (j) the Shareholder ceasing to carry on its business or substantially all of its business, or
- (k) the Shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the Shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders requiring such remedy; or
- (l) in the case of the Obligatory Transfer Events set out in paragraphs (a), (b), (d) or (e) above, any competent person takes any analogous step in any jurisdiction in which the Seller carries on business; or
- (m) a Shareholder becomes bankrupt or makes any arrangement or compromise with his creditors generally in which event a person entitled to a share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of such Share (including any B Ordinary Shares) at such time as determined by the directors; or
- (n) a Shareholder dies in which event, if a Share or a B Ordinary Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the directors may require the legal personal representatives of such deceased Shareholder either:
 - (i) to effect a Permitted Transfer of such Shares and B Ordinary Shares (including for such purpose an election to be registered in respect thereof), or
 - (ii) to show to the satisfaction of the directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either such requirement shall not be fulfilled to the satisfaction of the directors a Transfer Notice shall be deemed to have been given in respect of each such Share and B Ordinary Share save to the extent that, and at such time as, the Directors may determine,

- (o) subject to Article 15.7, a Permitted Transferee (pursuant to Articles 15.2 or 15.3) ceases to be a member of a Permitted Group or a Privileged Relation, or trustees of a Family Trust, in which event such person shall be bound, if and when required in writing by the directors so to do, to give a Transfer Notice in respect of the Shares and B Ordinary Shares concerned

If the Shareholder that has suffered the Obligatory Transfer Event fails to serve an Obligatory Transfer Notice, it shall be regarded as giving a Deemed Transfer Notice in relation to its Shares (and B Ordinary Shares) in the Company on the date on which any of the other Shareholders becomes aware of the Obligatory Transfer Event.

- 17.2 If a Shareholder is obliged to serve a Transfer Notice under this Article 17 it shall do so in accordance with the pre-emption provisions and shall offer the Shares and B Ordinary shares to the Shareholders as set out in Article 16 and the provisions of these Articles will apply to the manner in which Shareholders are offered shares and the allocation of Shares and B Ordinary Shares between Shareholders but not the Prescribed Price which shall be the Fair Value determined in accordance with this Article 17.
- 17.3 As soon as practicable after service, or deemed service, of the Transfer Notice, the Shareholders shall appoint an Expert to determine the Fair Value of the Seller's Shares
- 17.4 The Buyer has the right, within twenty-eight days of receiving notification of the Fair Value determined by the Expert (the first day being the day after the Buyer receives the Fair Value notification) to serve a written notice on the Seller to buy all of the Seller's shares at the Fair Value.
- 17.5 In this Article the Fair Value of any B Ordinary Shares shall be £1 per share and of all the other Shares to be sold shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:
- (a) the value of the Shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's Shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares);
 - (b) the sale is between a willing buyer and a willing seller on the open market;
 - (c) the sale is taking place on the date that the Obligatory Transfer Event occurred;
 - (d) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
 - (e) the Shares are sold free of all encumbrances; and
 - (f) to take account of any other factors that the Expert reasonably believes should be taken into account.

If any problem arises in applying any of the assumptions set out in this Article 17.5, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

- 17.6 The Expert shall be requested to determine the Fair Value within twenty-eight Business Days of his appointment and to notify the Shareholders in writing of his determination
- 17.7 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company.
- 17.8 The Expert's determination shall be final and binding on the Shareholders (in the absence of fraud or manifest error).
- 17.9 If the Seller fails to complete the transfer of Shares and B Ordinary Shares as required under this Article, the Company:
- (a) is irrevocably authorised to appoint any person as agent to transfer the Shares and B Ordinary Shares on the Seller's behalf and to do anything else that the Buyer may reasonably require to complete the sale; and
 - (b) may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Buyer

18. REGISTRATION OF TRANSFERS

- 18.1 Any transfer of Shares or B Ordinary Shares by way of a sale that is required to be made under Articles 15 to 17 shall be deemed to include a warranty that the transferor sells the Shares or B Ordinary Shares with full title guarantee.
- 18.2 Subject to Article 18.3, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 18.3 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 18.3, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

18 4 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but, subject to Article 18 5, shall not otherwise be entitled to refuse to register any transfer of shares.

18 5 For the purposes of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a period of 28 days of such request, the directors shall be entitled to refuse to register the transfer in question

19. QUORUM FOR GENERAL MEETINGS

19 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, representing at least 45% of the Shares in issue at that time.

19.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

20. CHAIRING GENERAL MEETINGS

20.1 The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the Shareholders shall be entitled to appoint another person present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

21. VOTING

21 1 At a general meeting, on a show of hands every holder of Shares who is present in person or by proxy shall have one vote, unless the proxy is himself a Shareholder entitled to vote; on a poll every Shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every Shareholder has one vote for each share of which he is the holder.

21 2 The B Ordinary Shares carry no right to receive notice of or to attend or vote at any general meeting of the Company

22. POLL VOTES

- 22 1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 22 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall 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.

23. PROXIES

- 23 1 Article 45(1)(d) of the Model Articles shall be 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 general meeting (or adjourned meeting) to which they relate"
- 23 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

24. MEANS OF COMMUNICATION TO BE USED

- 24 1 Subject to Article 24 2, 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;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) 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

24 2 Any notice, document or other information served on, or delivered to, an intended recipient under Article 15, Article 16 or Article 17 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

24 3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

25. INDEMNITY AND INSURANCE

25.1 Subject to Article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer of the Company shall 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 (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

(b) 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 25.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

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

25.3 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.

25 4 In this Article.

- (a) a **relevant officer** means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (b) 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 or any pension fund of the Company

SCHEDULE

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

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

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“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;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors' general authority

3. 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.

Shareholders' reserve power

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

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.

(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.

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

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.

(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

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.

(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, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

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.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) 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.

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

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

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.

- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) 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

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.
- (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.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 12.—**(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

- 13.—**(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.
- (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

Conflicts of interest

- 14.—**(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 interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

Records of decisions to be kept

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

Directors' discretion to make further rules

16. 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

Methods of appointing directors

17.—(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.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 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, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide.

(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.

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and

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

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day

(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.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in

connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

21.—(1) No share is to be issued for less than the aggregate of its nominal value and any

premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

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

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

23. 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

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

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

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

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

Share transfers

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

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27.—**(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or 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.
- (3) But 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.

Exercise of transmittees' rights

- 28.—**(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.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
- (3) 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.

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(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.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) 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.

(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.

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(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.

No interest on distributions

32. 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.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(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

(3) If—

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

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

Non-cash distributions

34.—(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).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution—

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

Waiver of distributions

35. 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

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(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

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (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.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(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

(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.

(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.

(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

(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.

Quorum for general meetings

38. 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.

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

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

(a) the directors present, or

(b) (if no directors are present), the meeting,

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

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are

shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

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

to attend and speak at a general meeting

Adjournment

41.—(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.

(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.

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

(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.

(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.

(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

Voting: general

42. 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.

Errors and disputes

43.—(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.

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

Poll votes

44.—(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.

(2) A poll may be demanded by—

- (a) the chairman of the meeting,
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution

(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.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

Content of proxy notices

45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”)

which—

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (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
- (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.

Delivery of proxy notices

- 46.—**(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 47.—**(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (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.
- (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

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(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.

(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.

Company seals

49.—(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(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.

(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.

No right to inspect accounts and other records

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

Provision for employees on cessation of business

51. 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.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

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

(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.

(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.

Insurance

53.—(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

(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.