

Company No. 7308805

Written Resolutions of Canvas Pro Tem Limited (the "Company")

Circulation Date: 10 September 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, it is proposed that the following special and ordinary resolutions (together the "Resolutions") be passed

Special Resolution

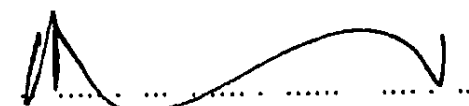
1. THAT the regulations contained in the printed document attached to this resolution be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company.

Ordinary Resolution

2. THAT each issued ordinary share of £0.01 in the capital of the Company be and is hereby re-designated as a Voting Share of £0.01, each such Voting Share carrying the rights and being subject to the restrictions attaching to Voting Shares in the capital of the Company set out in the Company's articles of association adopted pursuant to resolution 1 above.

Please read the Notes below before signifying your agreement to the Resolutions

The undersigned, being an "eligible member" (as defined in Section 289 of the Companies Act 2006) and entitled to vote on the Resolutions on the circulation date specified above, hereby irrevocably agrees to the Resolutions


ANDREW BLANKFIELD

Signed at 11.00 am on 10 Sept. 2010

FRIDAY



NOTES:

1. You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions. If you agree with all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

By hand delivering the signed copy to FFW Secretaries Limited at 35 Vine Street, London EC3N 2AA

Post returning the signed copy by post to FFW Secretaries Limited at 35 Vine Street, London EC3N 2AA.

2. If you do not agree to the Resolutions, you do not need to do anything and you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. Unless by the 28th day following the Circulation Date (as stated at the top of the Resolutions) sufficient agreement has been received for the Resolutions to be passed, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
5. If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

Draft (10 September 2010)

Company Number 7308805

A Private Company Limited by Shares

Articles of Association of Canvas Pro Tem Limited

**(Adopted by Special Resolution on []
2010)**

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Company No. 7308805

A Private Company Limited by Shares

Articles of Association of Canvas Pro Tem Limited

(Adopted by Special Resolution on [] 2010)

1 Interpretation

1.1 Definitions

- (a) In these Articles the following expressions have the following meanings unless the context otherwise requires.

"Act" means the Companies Act 2006, as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time;

"Additional Founder Share" means the additional founder share of £0.01 in the capital of the Company having the rights specified in relation to such share in Article 5,

"Adoption Date" the date (as stated above) on which these Articles are adopted by resolution of the Company as its articles of association,

"Allocations Notice" has the meaning given in Article 7.5(d)(ii);

"Appointing Shareholder" means, in respect of a Director appointed by a Shareholder pursuant to Article 4.1(a), that Shareholder,

"Board" means the board of Directors, or a quorum of such Directors at a Board Meeting;

"Board Meeting" means a duly convened meeting of the Board;

"Breach Event" has the meaning given in Article 7.4(b);

"Business Day" means a day (other than a Saturday, Sunday or public holiday in England and Wales) when banks in the City of London are open for business;

"Cessation Date" means, in relation to a Shareholder that has served or it is deemed to have served a Transfer Notice in respect of all of its Voting Shares, the date that is the earlier of

- (a) the date on which it ceases to be a Shareholder; and
- (b) the final day of the Financial Year in which such Transfer Notice is served or deemed to have been served.

"Common Technical Standard" means a common technical standard for internet connected television devices,

"Common UI" means a common user interface;

"Contract Resolution" means, in relation to a Director, a resolution proposed at a Board Meeting or by way of a majority decision of the Directors under Article 3.5 which relates to any contract or proposed contract or other arrangement between the Company and that Director's Appointing Shareholder (other than any shareholders' agreement that may be in force from time to time between the Company and its members) or another Group Company of such Appointing Shareholder;

"Decline Notice" has the meaning given in Article 7.5(d)(i);

"Default Event" has the meaning given in Article 7.4(a);

"Deferred Shares" means the deferred shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5;

"Director" means a director of the Company for the time being,

"Dispute Resolution" means, in relation to a Director, a resolution proposed at a Board Meeting or by way of a majority decision of the Directors under Article 3.5 which relates to any dispute or litigation between the Company and that Director's Appointing Shareholder or another Group Company of such Appointing Shareholder,

"DTG" means Digital TV Group;

“Financial Year” means the First Financial Year or, as the case may be, any subsequent period of 12 consecutive calendar months commencing on 1 April in a year and ending on 31 March in the following year;

“First Financial Year” means the period commencing on the Adoption Date and ending on 31 March 2011;

“Founder Shares” means the founder shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5,

“Group” means in relation to a company: (i) that company; (ii) any holding company of that company, and (iii) any subsidiary of that company or of any such holding company (and another company which is the member of the same Group as that company shall be a **“Group Company”**);

“Income Shares” means the income shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5,

“Initial Term Expiry Date” means 31 March 2014;

“Liquidation” means the liquidation or winding up of the Company (except for the purposes of a solvent reorganisation, reconstruction or amalgamation where no cash or cash equivalent is distributed to members);

“Liquidity Event” means any of:

- (a) a Liquidation;
- (b) completion of a Sale,
- (c) a distribution of assets by the Company (other than pursuant to Article 5.3); or
- (d) a return of capital by the Company (but which for the avoidance of doubt shall not include any re-designation of shares pursuant to Article 5.5),

“Model Articles” means the model articles for private companies limited by shares as set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), a copy of which is annexed to these Articles, and reference to a numbered Model Article shall be to the relevant article of the Model Articles;

“Offer Shares” has the meaning given in Article 7.5(b);

"Pre-emption Period" means, in respect of a Shareholder that has served or is deemed to have served a Transfer Notice, the period commencing on the date that the Board serves a notice under Article 7.5(c) and ending:

- (a) if there are no applications for Offer Shares in respect of such Transfer Notice, on the date on which a Decline Notice in respect of that Transfer Notice is served by the Board on all Shareholders under Article 7.5(d); or
- (b) if there has been one or more applications for Offer Shares in respect of such Transfer Notice, on the date that is the earlier of: (i) the date on which all Offer Shares that are the subject of an Allocations Notice in respect of that Transfer Notice have been purchased under Articles 7.5(e), 7.5(f) or 7.5(g); and (ii) the expiry of the 7 day period referred to in Article 7.5(g);

"Prescribed Price" has the meaning given in Article 7.5(b),

"Re-designation Date" means the date on which a Re-designation Notice is served or deemed to be served on the Company,

"Re-designation Notice" has the meaning given in Article 5.5(a),

"Re-designation Shares" has the meaning given in Article 5.5(a),

"Relevant Financial Year" means, in respect of a class of Income Shares, the Financial Year set against that class of Income Shares in column 2 of the table in Article 5.3(a);

"Requisite Directors" has the meaning given in Article 3.5;

"Residual Shares" means the residual shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5,

"Sale" means the disposal by the Company of all or substantially all of its business, undertaking and assets,

"Secretary" means the secretary for the time being of the Company, if any (including any joint or assistant secretaries);

"Shareholder" means a registered holder of one or more Voting Shares,

"these Articles" means the articles of association of the Company for the time being in force;

"Transfer Notice" has the meaning given in Article 7.5(a);

"Unvested Income Share" means an Income Share that is not a Vested Income Share;

"Vested Income Share" means an Income Share in respect of which its Relevant Financial Year has commenced (or has ended);

"Voting Shares" means the voting shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5,

"Wholly-owned Associate" means, in relation to any company, another company which is (directly or indirectly) a wholly-owned subsidiary of, or a holding company which owns (directly or indirectly) all the issued share capital of, or another wholly-owned subsidiary of a holding company which owns (directly or indirectly) the entire issued share capital of, that company

1 2 Interpretation

In these Articles, unless the contrary intention appears:

- (a) any reference to an enactment (which term shall include any directly applicable EU legislation) includes:
 - (i) that enactment as amended, extended, consolidated, re-enacted or applied by or under any other enactment before or after the Adoption Date,
 - (ii) any enactment which that enactment re-enacts, consolidates or enacts in rewritten form (in each case with or without modification, and irrespective of whether the enactment which is re-enacted or consolidated has been or is subsequently repealed); and
 - (iii) any subordinate legislation made (before or after the Adoption Date) under that or any other applicable enactment, including one within paragraphs (i) or (ii) above,
- (b) any reference to:
 - (i) a person includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having a separate legal personality),

- (ii) the singular includes the plural and vice versa, and reference to any gender includes the other genders;
 - (iii) a time of day is to London time,
 - (iv) **"written"** or **"in writing"** includes all forms of visible reproduction in permanent form, but shall not include representations or reproductions in electronic form, and
 - (v) a **"dividend declared by the Company"** or the **"declaration of a dividend by the Company"**, in addition to meaning a dividend declared by ordinary resolution of the Company on the recommendation of the Directors, shall also include any interim dividend decided by the Directors to be paid and any dividend agreed to be paid with the prior written agreement of all Shareholders and the Company;
- (c) reference to a **"transfer"** of a share shall be deemed to include:
- (i) any sale or other disposition by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any share;
 - (ii) the grant of any put, call, forward contract, future or other option or contract or hedging instrument in connection with the whole or any part of the legal or beneficial interest in any share,
 - (iii) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of a share that a share be allotted or issued or transferred to some person other than itself,
 - (iv) the creation of or entrance into any voting trust or other arrangement in respect of voting rights attaching to any share (other than an appointment of a proxy or corporate representative in connection with a general meeting of the Company), and
 - (v) any other sale or other disposition of any legal or equitable interest in a share, and whether or not by the relevant holder, whether or not for consideration, whether or not effected by an instrument in writing and whether or not made voluntarily or by operation of law;
- (d) the expressions **"subsidiary"**, **"wholly-owned subsidiary"**, and **"holding company"** shall have the respective meanings given in Section 1159 of the Act,

and a person's subsidiaries or holding companies shall mean those persons which fulfil the relevant definitions from time to time; and

- (e) the words "**including**" and "**in particular**" and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions

1 3 Applicability of Model Articles

- (a) The Model Articles shall apply to the Company subject to the modifications and additions made by these Articles
- (b) Model Articles 7(1), 8, 9(3), 11(2), 11(3), 13, 14, 22(1), 27 to 29 (inclusive) and 50 shall not apply to the Company.
- (c) 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

2 Commercial Objects

The commercial objects of the Company shall be as set out in this Article 2, subject to which the objects of the Company shall be unrestricted.

2 1 Development and Promotion of Common Technical Standard

To develop and promote the Common Technical Standard for internet connected devices to provide an upgrade path in conjunction with relevant bodies, including, without limitation, the DTG. The Company will promote the Common Technical Standard to the broadest UK customer market possible and will ensure it is made available on a fair, reasonable and non-discriminatory basis

2 2 Wide Choice of Content Offering and Universal Access

To offer UK audiences a wide choice of catch-up, VOD and linear television along with interactive and ISP delivered applications, as part of a new hybrid platform which enables both free and pay services. To ensure these services are capable of being received by the broadest UK customer market possible, the Company will ensure that (i) the new hybrid platform will always maintain a free-to-air point of access, (ii) entry controls in terms of technical and content standards will be minimal; and (iii) access to the Common Technical Standard and Common UI will not be bundled with other products or services (which, for the avoidance of doubt, will not prevent bundling of products and services at

a retail level by, for example, internet service providers to their respective customer bases)

2.3 Promotion of Broadband and PSB Content

To promote, develop and enhance take-up of broadband services and the availability of Public Service and other Broadcast content in the UK.

2.4 Horizontal Approach to Device Market

The Company will maintain a standardised and horizontal approach to the application of the Common Technical Standard in the device market, for example through participation in the activities of the DTG

2.5 Audience Experience and TV Quality Standard

To ensure the appropriate quality of audience experience, including ease of navigation, and content discovery and a high TV quality video experience for long form content through policies set out in the Common Technical Standard and the TV Quality Standard. The TV Quality Standard will be defined in output terms as being that which delivers a similar consumer experience to that of watching a standard definition channel on Freeview and will be set and applied in a fair, reasonable and non-discriminatory manner.

2.6 Common User Interface

To ensure a Common UI (including an Electronic Programme Guide ("EPG")) for inclusion within all receiving devices in accordance with such User Interface Policy as the Company may be required to adopt pursuant to existing or future applicable regulation.

2.7 Marketing and Promotion of Canvas Standards

To promote awareness generally of and to market and promote the Common Technical Standard and the Common UI and the availability (and accessibility from internet service providers) of services through, inter alia, marketing and promotional campaigns in accordance with the Marketing Policy adopted by the Company from time to time.

2.8 Brand

To develop and promote the Company's brand, which may include licensing of the Company's trade mark(s) to eligible third parties on a cost recovery basis

2.9 Management of EPG

To ensure that access to listings on the EPG and Common UI will be on a fair, reasonable and non-discriminatory basis

To undertake the management of EPG listings in compliance with such User Interface Policy as the Company has adopted from time to time or may be required to adopt pursuant to existing or future applicable regulation

2.10 Data

The collection and use of data complying at all times with all applicable data protection legislation and in accordance with the Data Policy adopted by the Company from time to time

2.11 Cost Recovery

To develop ways in which the Company can recover certain operational costs which shall include, without limitation, charging for inclusion in the central listings and search function of the Common UI, licensing of the Company's trade mark(s) and any possible commercial exploitation of data. For the avoidance of doubt any such activity will be charged to third parties on a "cost recovery" basis only

3 Decision-Making by Directors

3.1 Forms of decision-making

The general rule about decision-making by the Directors is that any decision of the Directors must be either a simple majority decision at a Board Meeting or a simple majority decision taken outside of a Board Meeting in accordance with Article 3.5. Model Articles 7(1) and 8 shall not apply

3.2 Calling a Board Meeting

- (a) Any Director may, and at the request of a Director, the Secretary shall, call a Board Meeting. Notice of a Board Meeting must be given to each Director in writing, and Model Article 9(3) shall not apply
- (b) At least seven Business Days' notice of a Board Meeting shall be given to all Directors, save that a shorter period of notice may be given in the case of an emergency or where a majority (in number) of the Directors agree in writing
- (c) Notice of a Board Meeting shall be accompanied by:

(i) an agenda specifying in reasonable detail the matters to be raised at the meeting, and

(ii) copies of any papers to be discussed at the meeting,

and matters not on the agenda may not be raised at a Board Meeting or business conducted in relation to those matters unless all the Directors appointed pursuant to Article 4 1(a) and present agree

(d) Entitlement to notice of a Board Meeting may be waived by a Director at any time before the meeting (as well as up to 7 days after the date on which the meeting is held), and Model Article 9(4) shall be construed accordingly.

3 3 Quorum for Board Meetings

(a) Subject to the other provisions of these Articles (including paragraph (b) below and Articles 4 2 to 4 5) and save as otherwise agreed in writing between the Shareholders and the Company from time to time, the quorum for a Board Meeting shall be all of the Directors, but for which purposes the quorum may be satisfied by the alternate for any such Director who does not participate in person (where that Director is entitled to appoint an alternate under Article 4.7), provided that there are at least two persons participating at the Board Meeting. Model Articles 11(2) and 11(3) shall not apply

(b) If a quorum is not present within 30 minutes after the time specified for a Board Meeting in the notice of the meeting then the meeting shall be adjourned to a specified place and time not less than 5 Business Days after the original date for the meeting. Notice of the adjourned meeting shall be given to all Directors and any such adjourned meeting may be held notwithstanding the absence of the Director (or his alternate) who was absent from the original meeting or previously adjourned meeting

3 4 Voting at Board Meetings

(a) A resolution tabled at a Board Meeting shall be duly passed by way of a simple majority of the votes cast on the resolution being in favour of such resolution.

(b) Each Director appointed pursuant to Article 4 1(a) (or his alternate) participating at the meeting shall (subject to the other provisions of these Articles, including Articles 4 2 to 4 5) be entitled to exercise on any resolution proposed at any Board Meeting the same number of total votes that such Director's Appointing Shareholder would be entitled to cast on a poll at a general meeting of the Company convened for the same day as the Board Meeting. Subject to Article

3.7(a), a Director appointed otherwise than pursuant to Article 4.1(a) shall not be entitled to vote at any Board Meeting.

3.5 Majority decisions of the Directors outside of Board Meetings

- (a) A majority decision of the Directors is taken under this Article 3.5 when the Requisite Directors each indicate to each other in accordance with paragraph (b) below that they share a common view on the matter. For these purposes, the “**Requisite Directors**” means any two or more Directors appointed pursuant to Article 4.1(a) as would, were a resolution in respect of the relevant matter to be proposed at a quorate Board Meeting (such proposed resolution having been properly included in the agenda for the meeting), be entitled to cast a sufficient number of votes at the Board Meeting in respect of the resolution for the resolution to be duly passed (even if all other Directors entitled to attend and vote at the Board Meeting did so attend and voted against the resolution).
- (b) A decision referred to in paragraph (a) above must take the form of a resolution in writing to which the Requisite Directors have indicated agreement in writing.
- (c) A decision may not be taken in accordance with this Article 3.5 unless and until notice containing reasonable details of the proposed decision has been given to each Director who would have been entitled to attend and vote on a resolution in respect of the relevant matter were it to be proposed at a Board Meeting. Any Director may, and at the request of a Director, the Secretary shall, give notice of such a proposed decision under this Article 3.5.
- (d) An alternate director’s signature or agreement to any decision of the Directors under this Article 3.5 shall be treated as the signature or agreement of his appointor, provided that such decision is not signed or agreed to by his appointor.
- (e) For the avoidance of doubt, references in this Article to a Board Meeting shall not include any adjourned Board Meeting.

3.6 Chairman of the Board

- (a) The Directors may appoint a Director to chair their meetings, subject to any shareholders’ agreement that may be in force from time to time between the Company and the Shareholders. Model Article 12 shall be subject to this Article 3.6.
- (b) If the chairman is unable to attend any Board Meeting, one of the other Directors present (as agreed between the Directors present) shall chair such meeting.

3.7 Casting vote

- (a) In the case of an equality of votes at a Board Meeting the chairman appointed under Article 3.6(a) shall have a casting vote.
- (b) If the chairman is unable to attend any Board Meeting, the Director that chairs such meeting pursuant to article 3.6(b) shall not have a casting vote

3.8 Records of decisions to be kept

The Directors shall ensure that a written record of each decision of the Directors is kept in a permanent form (such that it may be read with the naked eye).

4 Appointment and Removal of Directors, Directors' Interests and Alternate Directors

4.1 Methods of appointing and removing Directors

- (a) Each Shareholder shall be entitled from time to time by notice to the Company to appoint one person as Director.
- (b) Without prejudice to Model Article 18, each Shareholder may by notice to the Company from time to time remove from office any Director appointed by it under paragraph (a) above
- (c) A notice of appointment or removal of a Director pursuant to paragraphs (a) or (b) above shall be made by notice in writing to the Company at its registered office to take effect upon delivery to the Company or as otherwise indicated in the relevant notice, with a copy of such notice being sent to each other Shareholder.
- (d) In addition to the provisions of Model Article 18, a person shall automatically cease to be a Director forthwith upon his Appointing Shareholder ceasing to be a Shareholder (for any reason)
- (e) Additional Directors may be appointed in accordance with Model Article 17(1), subject to any shareholders' agreement that may be in force from time to time between the Company and the Shareholders.
- (f) For the avoidance of doubt, there shall be no entitlement to appoint a Director by virtue of any holding of Income Shares, Residual Shares, Deferred Shares, Founder Shares or the Additional Founder Share.

4.2 Directors' interests (Transactional Conflicts)

If a proposed decision of the Board is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, then:

- (a) subject to the provisions of the Act and Article 4.5, and
- (b) provided that he has disclosed (by notice in writing to the Company or at a Board Meeting) the nature and extent of such interest,

that Director shall, subject to the other provisions of these Articles, be entitled to participate for quorum and voting purposes in the decision-making process in respect of such proposed decision. For the purposes of this Article, references to proposed decision and decision-making process include any Board Meeting or part of a Board Meeting. Model Article 14 shall not apply.

4.3 Directors' Interests (Pre-authorised Situational Conflicts)

- (a) For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that a Director may be or become subject to a conflict of interest as a result of:
 - (i) his being nominated or appointed as Director by a person under Article 4.1(a);
 - (ii) his being or having been, or being party to an agreement or arrangement or understanding under which he is or may become, an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in a Shareholder or another member of a Shareholder's Group (as the case may be), and/or
 - (iii) being a director or other officer of, or employed by or a member of, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested
- (b) In connection with any conflict of interest referred to or envisaged under paragraph (a) above and subject to Article 4.5, the following shall apply in respect of the relevant Director (provided that in the case of a conflict of interest arising in connection with an agreement or arrangement referred to in paragraph (a)(ii) above, the existence of such agreement or arrangement has first been disclosed in writing to the Company or at a Board Meeting)

- (i) any breach or infringement of section 175 of the Act arising by virtue of such conflict of interest is hereby authorised;
- (ii) he shall be entitled to receive any papers or other documents (including any Board papers) in relation to, or concerning, matters to which the conflict of interest relates;
- (iii) he shall not be excluded from those parts of Board Meetings or meetings of a committee of the Board at which matters are discussed relating to the conflict of interest;
- (iv) he shall, subject to the other provisions of these Articles, be entitled to vote and form a part of the quorum at any such meeting;
- (v) he shall be entitled to keep confidential and not disclose to the Company any information which comes into his possession as a result of such conflict of interest situation where such information is confidential as regards any third party, and
- (vi) save as may otherwise be agreed in writing between the relevant Director and the Company, he shall not be held accountable to the Company for any benefit he derives directly or indirectly from his involvement with any person or entity referred to in paragraph (a) above, and no contract relating to the Company shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of section 176 of the Act

4.4 Directors' Interests (Authorisation of situational conflicts by the Board)

- (a) The Board shall have power and shall be enabled, subject to and in accordance with the remaining provisions of this Article, to authorise (an "Authorisation") any matter (other than a matter referred to or envisaged under Article 4.3) which would or might constitute or give rise to any breach of the duty of a Director under Section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it).
- (b) An Authorisation shall only be effective where.
 - (i) the resolution in respect of the Authorisation is proposed for consideration at a Board Meeting; and

- (ii) the Authorisation is agreed to without counting in the quorum for the relevant Board Meeting, or counting any votes on the Authorisation cast by, the Director to which the Authorisation relates and any Director who is an "other interested director" for the purposes of Section 175(6)(a) of the Act,

but otherwise an Authorisation may be proposed and resolved upon by the Board in such manner as the Board deems at its absolute discretion to be appropriate.

- (c) An Authorisation may be given subject to such terms and conditions as the Board determines at its absolute discretion, and the relevant Director shall comply with all such terms and conditions, and which may (but need not) include all or any of the following (but without limitation to any other limitations, terms and conditions as may be imposed by the Board):
 - (i) the period for which the Authorisation shall subsist, or any date or event upon which it shall expire or be modified;
 - (ii) any events, matters or consequences which do not fall within the Authorisation or whereby a further Authorisation shall be required;
 - (iii) the exclusion of the relevant Director from receipt of or access to certain information or documentation of the Company connected with the matter to which the Authorisation relates (including any general classes or categories of information or documentation); and
 - (iv) the exclusion of the relevant Director from discussions (whether at Board Meetings, general meetings of the Company or otherwise) connected with the matter to which the Authorisation relates, and whether the relevant Director may count in the quorum for and/or vote upon any matter to which the Authorisation relates at Board Meetings.
- (d) The Board shall ensure that the terms of each Authorisation are recorded in writing and a copy retained by the Company (but the Authorisation shall be effective whether or not the terms are so recorded)
- (e) The Board may revoke or vary an Authorisation at any time, but this shall not affect anything done or omitted to be done by the relevant Director in accordance with the terms of the Authorisation prior to receiving notice of the revocation or variation.
- (f) Save as provided in any terms and conditions determined by the Board in accordance with paragraph (c) above, an Authorisation shall be deemed to be

given to the fullest extent permissible at law, and shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of or in connection with the matter so authorised

- (g) If any Authorisation relates to a matter where the relevant Director obtains (other than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence (save where a failure to disclose would result in the Company committing an unlawful act or an unlawful failure to act).
- (h) A Director shall not be in breach of the general duties he owes to the Company under the Act by virtue of the fact that pursuant to the terms of an Authorisation he.
 - (i) absents himself from Board Meetings or other proceedings of the Board at which matters relating to the conflict of interest or possible conflict of interest will or may be discussed; or
 - (ii) makes arrangements not to receive, or refrains from considering, any documents relating to the conflict of interest or possible conflict of interest, or makes arrangements for a professional adviser to receive any such documents on his behalf,for so long as he reasonably believes the matter to which the Authorisation relates subsists.
- (i) Any reference to a conflict of interest in this Article 4.4 shall include a conflict of interest and duty, and a conflict of duties, and any reference to an interest includes both direct and indirect interests.
- (j) The Company may by ordinary resolution suspend or relax the provisions of this Article 4.4 to any extent. Subject to the Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of this Article 4.4.

4.5 Participation in decision-making by conflicted Directors

If a proposed decision of the Board is concerned with a matter in respect of which a Director has a conflict of interest, that Director shall (provided that such conflict of interest has, to the extent required, been declared and/or authorised in accordance with these Articles and the Act) be entitled notwithstanding such interest to participate fully in

the decision-making process for quorum and voting purposes (to the extent otherwise required or permitted by these Articles), save that.

- (a) this Article 4.5 is subject to any specific requirements or conditions with respect to participation in decision-making given in connection with an Authorisation, and
- (b) a Director shall not form part of the quorum for the purposes of any Board Meeting convened to consider any Dispute Resolution nor shall he be entitled to vote in respect of any Dispute Resolution; and
- (c) a Director shall not be entitled to vote in respect of any Contract Resolution.

4.6 No liability to account

A Director shall not (save as may otherwise be agreed by him or may be determined by the Board in connection with an Authorisation) be liable to account to the Company for any remuneration, profit or other benefit resulting from any conflict of interest to which an Authorisation relates, and no contract shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of Section 176 of the Act.

4.7 Alternate directors

- (a) Each Director appointed pursuant to Article 4.1(a) shall have the power to nominate any other Director or other person to act as alternate director at Board Meetings (and on any decisions of Directors under Article 3.5) in his place during his absence. Each such Director shall be further entitled, at his discretion, to revoke such nomination at any time. However, such a Director shall not be entitled to appoint more than one alternate director and an alternate director shall not be entitled to appoint an alternate director for himself in such capacity.
- (b) Any appointment or removal of an alternate director must (unless the Board decides to waive any of the following requirements, in whole or in part)
 - (i) be made by notice in writing and shall either be signed by the appointor; and
 - (ii) in the case of an appointment, be accompanied by such evidence as the Board may require that the alternate director has agreed to act and by such further details as the Company requires to comply with its statutory obligations in respect of that appointee.

(c) Appointment of an alternate director shall take effect upon the documentation required in paragraph (b) above being delivered to the Company in accordance with these Articles or delivered to a Board Meeting (or at such later time as may be specified in the notice of appointment)

(d) In addition to removal by notice in accordance with paragraph (b) above, an alternate director shall cease to be an alternate director.

(i) immediately and automatically if his appointor ceases for any reason to be a Director,

(ii) if he resigns from being an alternate director by notice in writing to the Company; or

(iii) upon the happening of any event which if it occurred in relation to his appointor would result in the termination of the appointor's appointment as Director

(e) An alternate director shall be entitled to receive notice of all Board Meetings and to perform at such meetings, in his appointor's absence, all the functions of his appointor. An alternate director shall be entitled to exercise at a Board Meeting the votes of each Director he represents, in addition to his own vote (if any) if he is a Director.

(f) An alternate director.

(i) shall be an authorised person for the purposes of Model Article 49(4); and

(ii) shall constitute a "relevant director" for the purposes of Model Articles 52 and 53,

but otherwise an alternate director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles, nor (save as otherwise agreed by all Shareholders) shall he be entitled to receive from the Company any remuneration in respect of his appointment as alternate director.

(g) For the purposes of any provisions of these Articles relating to Directors' interests, an interest of an alternate director's appointor shall be treated as an interest of that alternate director, without prejudice to any interest which that alternate director has otherwise

- (h) The provisions of this Article 4.7 relating to attendance and voting at Board Meetings also apply *mutatis mutandis* in respect of meetings of any committee of the Board.
- (i) An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor.

4.8 Directors' remuneration and expenses

Unless otherwise agreed in writing by the Shareholders, no Director appointed pursuant to Article 4.1(a) (nor any alternate) shall be entitled to any remuneration in respect of his acting as a Director, nor to claim any expenses for attending any meetings or otherwise as a Director. Model Articles 19 and 20 shall be subject to this Article 4.8

5. Rights Attaching to Shares

5.1 Share capital

- (a) The share capital of the Company shall consist only of Voting Shares, 10 classes of Income Shares (as more particularly described in Article 5.3), Founder Shares, the Additional Founder Share, Residual Shares and Deferred Shares. Model Article 22(1) shall not apply.
- (b) The Voting Shares, each class of Income Shares, the Founder Shares, the Additional Founder Share, the Residual Shares and the Deferred Shares shall each constitute separate classes of shares and shall carry the respective rights set out in these Articles, but in all other respects shall be identical and rank *pari passu*.

5.2 Voting rights

- (a) Each Shareholder shall be entitled to receive notice of, to attend, to speak at and to vote at, general meetings of the Company
- (b) On a vote on a show of hands at a general meeting of the Company, each Shareholder present in person shall have one vote, and each proxy who has been duly appointed by one or more Shareholders entitled to vote on the resolution shall have one vote.
- (c) On a poll taken at a general meeting of the Company, and on a written resolution of the Company, each Shareholder shall have one vote for each Voting Share held by it.

- (d) No Income Share, Founder Share, Residual Share, Deferred Share nor the Additional Founder Share shall carry any right to receive notice of or attend, speak at or vote at any general meeting of the Company, or to vote on any written resolution of the Company.

5.3 Income and dividends

- (a) There are 10 classes of Income Shares, as follows.

<i>Class of Income Shares</i>	<i>Relevant Financial Year</i>
2011 Income Shares	The First Financial Year
2012 Income Shares	1 April 2011 to 31 March 2012
2013 Income Shares	1 April 2012 to 31 March 2013
2014 Income Shares	1 April 2013 to 31 March 2014
2015 Income Shares	1 April 2014 to 31 March 2015
2016 Income Shares	1 April 2015 to 31 March 2016
2017 Income Shares	1 April 2016 to 31 March 2017
2018 Income Shares	1 April 2017 to 31 March 2018
2019 Income Shares	1 April 2018 to 31 March 2019
2020 Income Shares	1 April 2019 to 31 March 2020

- (b) Income Shares of a class set out in column 1 of the table in paragraph (a) above shall confer on the holders thereof the right to receive a *pro rata* share of a dividend declared in respect of that class of Income Shares.
- (c) Save as otherwise expressly set out in these Articles, the different classes of Income Shares shall be treated on a *pari passu* basis
- (d) Founder Shares shall confer on the holders thereof the right to receive a *pro rata* share of any dividend declared in respect of Founder Shares

- (e) The Additional Founder Share shall confer on the holder thereof the right to receive any dividend declared in respect of that share.
- (f) Save as provided in Article 5.4, the holders of Voting Shares, Residual Shares and/or Deferred Shares shall not be entitled to receive any income or dividend or other distribution in respect of such shares.
- (g) Model Articles 30 to 36 (inclusive) shall be subject to this Article 5.3

5.4 Capital rights

- (a) Distributable reserves of the Company created as a result of a Liquidity Event will be applied to paying dividends on Vested Income Shares, Founder Shares and the Additional Founder Share in each case existing on the occurrence of the Liquidity Event, such dividends to be declared in accordance with Article 5.3.
- (b) On a Liquidity Event, the surplus assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of the matters giving rise to the Liquidity Event and after the payment of dividends declared in accordance with Article 5.4(a) and Article 5.3, shall be applied in the following manner and order of priority.
 - (i) first, in paying to the Shareholders, a total of £1.00 for the entire class of Voting Shares (which payment shall be deemed satisfied by payment to any one Shareholder);
 - (ii) second, in paying to the holders of the Deferred Shares (if any) a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
 - (iii) third, in paying to the holders of Unvested Income Shares (if any and as if all Unvested Income Shares constituted one and the same class of shares) a total of £1.00 for such entire class of Unvested Income Shares (which payment shall be deemed satisfied by payment to any one holder of Unvested Income Shares),
 - (iv) fourth, in paying to the holders of the Founder Shares a total of £1.00 for the entire class of Founder Shares (which payment shall be deemed satisfied by payment to any one holder of a Founder Share);
 - (v) fifth, in paying to the holder of the Additional Founder Share a total of £0.01; and

- (vi) the balance of the surplus assets (if any) being distributed among the holders of the Vested Income Shares and the holders of the Residual Shares (if any) *pro rata* as if they constituted one and the same class and according to the number of such shares held by them respectively at the time such distribution is made

5.5 Re-designation of shares to Deferred Shares

- (a) A "Re-designation Notice" shall mean a notice in writing given to the Company by a holder of shares in the Company requiring the Company to re-designate one or more shares in the Company ("Re-designation Shares") into Deferred Shares. Voting Shares can only be the subject of a Re-designation Notice if a Re-designation Notice is deemed to be given in respect to such shares pursuant to Article 7.5(h) or otherwise as may be agreed in writing by all Shareholders and the Company.
- (b) On the Re-designation Date, each Re-designation Share specified in the relevant Re-designation Notice shall automatically and without further authority than is contained in these Articles be re-designated into one fully-paid Deferred Share, and all such Deferred Shares resulting from that re-designation shall in all other respects rank *pari passu* with the other Deferred Shares (if any) in issue at that time.
- (c) The Company shall on the Re-designation Date enter the holder of the re-designated shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares and, subject to the relevant holder delivering to the registered office of the Company the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in relation to the shares subject to the re-designation, shall within 10 Business Days of the Re-designation Date forward to such holder of Deferred Shares by post to its address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Deferred Shares.

5.6 Automatic Re-designation of Income Shares

- (a) If a Shareholder serves or is deemed to have served a Transfer Notice, then upon its Cessation Date, save as or as may otherwise be agreed in writing by all Shareholders and the Company:
 - (i) each Unvested Income Share held by that person at that time shall automatically and without further authority than is contained in these Articles be re-designated as one fully-paid Deferred Share, and such Deferred Shares resulting from that re-designation shall in all other

respects rank *pari passu* with the Deferred Shares (if any) in issue at that time,

- (ii) if that Transfer Notice is served or deemed to have been served as a result of a Breach Event that occurred in relation to that person prior to the Initial Term Expiry Date, each Vested Income Share held by that person at that time shall automatically and without further authority than is contained in these Articles be re-designated into one fully-paid Residual Share, and such Residual Shares resulting from that re-designation shall in all other respects rank *pari passu* with the Residual Shares (if any) in issue at that time.
 - (iii) if that Transfer Notice is served or deemed to have been served as a result of a Breach Event that occurred in relation to that person after the Initial Term Expiry Date, each Vested Income Share held by that person at that time with a Relevant Financial Year that is the Financial Year in which the Breach Event occurs or that is the Financial Year immediately preceding the Financial Year in which the Breach Event occurs (provided that such immediately preceding Financial Year did not commence prior to the Initial Term Expiry Date) shall automatically and without further authority than is contained in these Articles be re-designated as one fully-paid Residual Share, and the Residual Shares resulting from that re-designation shall in all other respects rank *pari passu* with the Residual Shares (if any) in issue at that time
- (b) Upon the re-designation of Income Shares pursuant to paragraph (a) above the Company shall forthwith update the register of members in respect of such re-designation and, subject to the relevant holder of shares delivering to the registered office of the Company the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in relation to the shares subject to the re-designation, shall forward to such person by post to its address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Deferred Shares or Residual Shares as the case may be

5.7 Redemption of Deferred Shares

Subject to the provisions of the Act, the Company may at its option at any time redeem all (but not some only) of the Deferred Shares held by a holder of such shares (without requiring that holder's consent nor the consent of any other holder of Deferred Shares), the total price payable by the Company to such holder in respect of all such shares being the sum of £1.00

5.8 Variation of class rights

- (a) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a Liquidation) with the consent in writing of the holders of not less than 75 per cent in nominal value of the issued shares of that class.
- (b) Without prejudice to the generality of paragraph (a) above, the special rights attaching to the Income Shares, the Founder Shares, the Additional Founder Share and/or the Residual Shares shall be deemed to be varied by the occurrence of any of the following events:
 - (i) the alteration of the rights attaching to Voting Shares and/or Deferred Shares so that any such shares entitle the holders thereof to a dividend or to a distribution exceeding the sum of £1.00 for the entire class of Voting Shares or Deferred Shares (as the case may be);
 - (ii) in the case of Income Shares, Founder Shares and the Additional Founder Share only, the alteration of the rights attaching to Residual Shares so that any such shares entitle the holders thereof to a dividend or distribution (other than a distribution in accordance with Article 5.4);
 - (iii) the creation or issue of any shares (other than Income Shares, Founder Shares, Residual Shares, Voting Shares and Deferred Shares) where such shares entitle the holders thereof to a dividend or to a distribution exceeding the sum of £1.00 for the entire class of such shares;
 - (iv) the purchase by the Company of any Voting Shares, or
 - (v) a return of capital otherwise than in accordance with Article 5.4
- (c) Neither the creation of a new class of shares which has preferential rights to Income Shares, Founder Shares, the Additional Founder Share and/or Residual Shares nor the creation or issue of further shares ranking *pari passu* with such shares shall, except as provided in paragraph (b) above, constitute a variation of the rights of those classes of shares

6 Allotments of Shares

6.1 Authority to allot shares

- (a) Save to the extent authorised by these Articles, or authorised from time to time by ordinary resolution of the members, the Board shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.
- (b) Subject to paragraphs (c) and (d) below and any directions which may be given by the Company in general meeting, the Board is generally and unconditionally authorised for the purposes of Section 551 of the Act to exercise the power of the Company to allot shares, or to grant rights to subscribe for or to convert any security into shares, to such persons on such terms and at such times as the Board may think proper.
- (c) The maximum aggregate nominal amount of shares which the Board may allot, or grant subscription or re-designation rights over or otherwise deal with or dispose of (subject always to the provisions of this Article 6.1), shall be:
 - (i) in the case of Voting Shares, £60.00,
 - (ii) in the case of Income Shares, £1.00,
 - (iii) in the case of Founder Shares, £0.10;
 - (iv) in the case of the Additional Founder Share, £0.01,
 - (v) in the case of Residual Shares, £1.11; and
 - (vi) in the case of Deferred Shares, £61.11,or such other amounts (whether lesser or greater) as shall be authorised by ordinary resolution.
- (d) The authority conferred on the Board by this Article shall expire on the day preceding the fifth anniversary of the Adoption Date but the Company may make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority (and the Board may allot shares or grant rights in pursuance of such offer or agreement as if such authority had not expired).

6.2 Pre-emption rights

In accordance with Section 567(1) of the Act, Sections 561 and 562 of the Act shall not apply to the allotment of any share in the capital of the Company.

7 Transfer of Shares

7.1 General

- (a) The Board shall refuse to accept, give effect to or register any transfer of shares other than a transfer made pursuant to the provisions of this Article 7, but otherwise the Board shall not refuse to register a transfer and Model Article 26(5) shall be qualified accordingly.
- (b) The Board shall refuse to accept, give effect to or register any transfer of shares in respect of which:
 - (i) the transferee or any person in whose name the share is to be registered is a natural person (whether a trustee or otherwise);
 - (ii) the transfer is in respect of more than one class of share; or
 - (iii) the transfer is in favour of more than four transferees.

7.2 Permitted transfers

- (a) Voting Shares may be transferred by a Shareholder:
 - (i) to a Wholly-owned Associate of that Shareholder;
 - (ii) to another Shareholder following service of a Transfer Notice pursuant to Article 7.3;
 - (iii) to another Shareholder following deemed service of a Transfer Notice in connection with a Default Event pursuant to Article 7.4(d); or
 - (iv) in accordance with the prior written agreement of all Shareholders and the Company
- (b) A transfer pursuant to paragraph (a)(i) above shall only be made subject to the following conditions:

- (i) the transfer must relate to all and not part only of the transferor's Voting Shares and must be accompanied by a transfer of all of that transferor's Income Shares and its Founder Share (and, if it is the holder of the Additional Founder Share, the Additional Founder Share) to that Wholly-owned Associate, and
- (ii) if the transferee ceases at any time to be a Wholly-owned Associate of the transferor (or, where the transferor has ceased to exist, if there is a change in ownership of the transferee which, assuming the transferor were still in existence and under the ownership that it was immediately prior to the transfer made pursuant to paragraph (a)(i) above, would have resulted in the transferee ceasing to be a Wholly-owned Associate of the transferor), the transferee shall notify the Company that such event has occurred and shall either simultaneously retransfer such Voting Shares, Income Shares, Founder Share and, as the case may be, Additional Founder Share to the transferor or to another Wholly-owned Associate of the transferor (or, where the transferor has ceased to exist, to a person that would have been a Wholly-owned Associate of the transferor (assuming the transferor were still in existence and under the ownership that it was immediately prior to the transfer made pursuant to paragraph (a)(i) above)).
- (c) Save as otherwise provided in these Articles or by the prior written agreement of all Shareholders and the Company, no Voting Share, Income Share, Founder Share, Residual Share, Deferred Share nor the Additional Founder Share shall be transferred by the holder thereof.

7.3 Voluntary Exit Transfers

At any time on or after the Initial Term Expiry Date, save as or as may otherwise be agreed in writing by all Shareholders and the Company, any Shareholder may elect to transfer all of its Voting Shares by serving a Transfer Notice in accordance with Article 7.5(a) in which case the remaining provisions of Article 7.5 shall apply

7.4 Obligatory transfers

- (a) A "**Default Event**" shall mean the occurrence of any of the following in relation to a Shareholder.
 - (i) a Breach Event; or
 - (ii) an Insolvency Event
- (b) A "**Breach Event**" occurs in relation to a Shareholder where:

- (i) that Shareholder purports to transfer any share in the Company otherwise than in accordance with these Articles or otherwise than in accordance with the written agreement of all other Shareholders and the Company,
 - (ii) that Shareholder fails to make a retransfer of shares within the period specified in Article 7.2(b)(ii) when required to do so pursuant to, and in accordance with, that Article,
 - (iii) the Board gives notice to that Shareholder in accordance with Article 7.4(g)(i) that a Breach Event is deemed to have occurred, or
 - (iv) all Shareholders other than that Shareholder give notice in writing to that Shareholder at any time referring to this Article stating that a Breach Event has occurred.
- (c) An "Insolvency Event" occurs in relation to a Shareholder if any of the following events occur in respect of that Shareholder:
- (i) any arrangement or composition with or for the benefit of creditors being proposed or entered into by or in relation to the Shareholder in question or any application for an interim order (including an interim administration order) or moratorium being made,
 - (ii) a liquidator, provisional liquidator, receiver, administrator, administrative receiver or person with similar powers taking possession of or being appointed over, or any distress, attachment, sequestration, execution or other process being levied or enforced (and not being discharged within 14 days) upon the whole or any part of the assets of the Shareholder in question (other than for the purposes of a solvent reconstruction or amalgamation, with the resulting entity assuming all the obligations of the Shareholder in question);
 - (iii) the Shareholder in question ceasing or threatening to cease to carry on business, or admitting in writing its inability to pay or being or becoming unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (without the need to prove any fact or matter to the satisfaction of the court) or suspending or threatening to suspend payment with respect to all or any class of its debts or becoming insolvent or commencing negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (iv) a petition being presented and (other than, in the case of an administration petition, any frivolous or vexatious petition or any petition which is

- actively defended) not being dismissed within 14 days of presentation, or a meeting being convened for the purpose of considering a resolution for the winding up or dissolution of the Shareholder in question (other than for the purposes of a solvent reconstruction or amalgamation with the resulting entity assuming all the obligations of the Shareholder in question),
- (v) the enforcement of a security interest (including the holder of a qualifying floating charge appointing an administrator or filing a notice of appointment with the court) over any assets of the Shareholder in question;
 - (vi) to the extent that such an act is not specified in paragraphs (i) to (v) (inclusive) above, any legal process or proceeding which is instituted in relation to the Shareholder in question in connection with the insolvency of that Shareholder or the inability of that Shareholder to pay its debts as they fall due, provided that such process or proceeding is of equivalent or greater seriousness to the acts of insolvency so specified in the said paragraphs (i) to (v); or
 - (vii) the Shareholder in question suffering any event analogous to any of the foregoing in any jurisdiction in which the Shareholder in question is resident or subject to
- (d) On the occurrence of a Default Event in relation to a Shareholder that Shareholder (the "Defaulting Shareholder") shall, save as or as may otherwise be agreed in writing between the Shareholders and the Company, be deemed to have served a Transfer Notice in accordance with Article 7.5(a) to transfer all but not part only of its Voting Shares in which case the remaining provisions of Article 7.5 shall apply.
 - (e) If a Shareholder becomes aware of the occurrence of a Default Event in relation to itself, it shall forthwith give written notice to the Company and the other Shareholders setting out reasonable details of the nature and extent of the Default Event, and the date on which the Default Event occurred (and if later the date on which it first became aware of such occurrence)
 - (f) For the purposes of ascertaining whether a Default Event has taken place in relation to a Shareholder, the Board (excluding the Director appointed by that Shareholder) may from time to time require
 - (i) that Shareholder; or

- (ii) any liquidator, receiver, administrator, administrative receiver or similar official of that Shareholder; or
- (iii) any person named as transferee in any transfer lodged for registration in respect of any Voting Shares of that Shareholder,

to furnish to them such information and evidence as they may reasonably require regarding any matter which they may deem relevant to such purpose, including the names, addresses and interests of all persons having an interest in the Voting Shares registered in that Shareholder's name.

- (g) Failing such information or evidence as referred to in paragraph (f) above being furnished to the reasonable satisfaction of the Board within the period specified in the notice (which period shall not be shorter than 15 Business Days after the date of service of the notice), the Board may, subject to any shareholders' agreement that may be in force into from time to time between the Company and its members, elect by giving notice to the Shareholder, with a copy to the other Shareholders, to declare that:

- (i) a Breach Event is deemed to have occurred in respect of that Shareholder; and
- (ii) the Voting Shares registered in the name of that Shareholder shall cease to confer any rights to vote (for as long as they remain registered in the name of that Shareholder)

7.5 Rights of pre-emption on transfer

- (a) Save as provided in Article 7.2, no Shareholder shall be entitled to transfer any Voting Share or Voting Shares without first offering them for transfer to the other Shareholders. The offer shall be made in respect of all but not part of the Voting Shares held by that Shareholder by notice in writing to the Company (a "Transfer Notice")
- (b) The Transfer Notice shall specify the Voting Shares being offered for transfer (the "Offer Shares") at a price per Voting Share equal to the par value of that Voting Share (the "Prescribed Price") and shall constitute the Board as the agent of the proposing transferor for the sale of the Offer Shares to other Shareholders at the Prescribed Price. The Transfer Notice may not be revoked unless the Board otherwise agrees.
- (c) Within 14 days after the Transfer Notice is received by the Company, the Board shall give notice to all Shareholders (other than the proposing transferor) of the

number and description of the Offer Shares and the Prescribed Price, inviting each such Shareholder to notify the Company within 30 days whether it is willing to purchase any and, if so, what maximum number of, Offer Shares.

- (d) On the expiry of the 30 day period referred to in paragraph (c) above or, if sooner, the date on which the Board has received a response in writing from each of those Shareholders either applying for Offer Shares or confirming that they do not wish to apply for Offer Shares
 - (i) if there has been no application for Offer Shares, the Board shall notify all Shareholders in writing (including the proposing transferor) of this fact (a "Decline Notice"), or
 - (ii) if there has been one or more applications for Offer Shares, the Board shall allocate the Offer Shares to those Shareholders who have applied to purchase shares and (if the number of shares for which those Shareholders have applied exceeds the number available) the allocation shall be made so far as practicable in proportion to the number of Voting Shares held by each of those Shareholders as between themselves (rounding down any fractional entitlements to the nearest whole number) but shall not in the case of any such Shareholder exceed the number of Offer Shares for which it has applied, and the Board shall give details of the allocation in writing to the proposing transferor and each Shareholder who has stated its willingness to purchase Offer Shares (an "Allocations Notice")
- (e) Within 7 days after the service of an Allocations Notice (if any), each Shareholder to whom an allocation has been made shall be bound to pay the purchase price for the Offer Shares allocated to it and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offer Shares to each such purchaser.
- (f) If in any case a proposing transferor, after having become bound to transfer any shares to a purchaser, shall make default in transferring the shares, the Board shall authorise some other person to execute on behalf of and as agent for the proposing transferor any necessary transfers and shall procure that such transfers are effected within 3 days of the 7 day period referred to in paragraph (e) above and shall receive the purchase moneys and shall thereupon cause the name of the purchaser to be entered in the register of members of the Company as the holder of such shares and shall hold the purchase moneys in trust for the proposing transferor but without interest. The receipt of the Company for the purchase moneys shall be a good discharge to the purchaser and after the name of the purchaser has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.

- (g) Where through no default of the proposing transferor, a Shareholder that has stated its willingness to purchase Offer Shares does not duly complete such purchase within the 7 day period referred to in paragraph (e) above, the Board shall forthwith notify all the other Shareholders (other than the proposing transferor) and if, within 7 days of such notice being given, those other Shareholders shall not between them duly complete the purchase of the shares in respect of which there has been default in completion, the provisions of paragraph (h) below shall apply
- (h) If, on the expiry of the Pre-emption Period any of the Offer Shares have not been allocated or duly purchased, then on the day immediately following the expiry of the Pre-emption Period the proposing transferor shall be deemed to have served a Re-designation Notice in respect of such remaining Offer Shares and the provisions of Article 5.5 shall apply to re-designate such shares as Deferred Shares

8 Decision-making by Shareholders

8.1 Quorum at general meetings

- (a) For so long as there shall be only one Shareholder then that Shareholder present in person or by proxy shall constitute a quorum at a general meeting of the Company.
- (b) For so long as there shall be two or more Shareholders, the quorum for a general meeting of the Company shall (subject to paragraph (c) below) be all of the Shareholders (other than any Shareholder that, in accordance with the agreement in writing of all Shareholders and the Company, is not entitled to vote on the resolutions to be tabled at that general meeting) present in person or by proxy.
- (c) If a quorum is not present within 30 minutes after the time specified for a general meeting of the Company in the notice of the meeting then the meeting shall be adjourned to a specified place and time not less than 5 Business Days after the original date for the meeting. Notice of the adjourned meeting shall be given to all Shareholders and any such adjourned meeting may be held notwithstanding the absence of the Shareholder (or its duly appointed proxy) which was absent from the original meeting

8.2 Polls

A poll on any resolution may be demanded at any general meeting of the Company by any Shareholder present in person or by proxy. Model Article 44 shall be varied accordingly.

9 Indemnity and Insurance

- (a) In Model Article 52(1) the word “may” in the second line shall be replaced by “shall”
- (b) For the purposes of Model Articles 52 and 53, references to a relevant director shall also include a secretary or former secretary of the Company or an associated company

10. Notices

- (a) Any notice, document or other information shall be deemed served on or delivered to the intended recipient.
 - (i) if sent by prepaid first class post or recorded delivery, on the second Business Day after being deposited in the post in a correctly addressed envelope,
 - (ii) if delivered personally, at the time of delivery, or
 - (iii) if sent by fax, on the date of transmission shown on a transmission report produced by the fax machine of the sender (or its agent) which indicates that the entire notice was transmitted successfully,

provided that any notice received on a day which is not a Business Day or after 5 p.m. (local time at the place of receipt) on any day will be deemed to have been given or made at 10 a.m. on the next Business Day.

- (b) In proving service of a notice, document or other information it shall be sufficient to prove that delivery was made in person or that the envelope containing the notice or document was properly addressed and posted (either by first class post or recorded delivery) or that the fax message was properly addressed and transmitted to an address permitted for the purpose by the Act, as the case may be

11 Company Name

For the purposes of section 79 of the Act, the name of the Company may be changed by a decision of the Directors in accordance with Article 31 (but without prejudice to the right of the members to change the name of the Company by special resolution).

Annex - The Model Articles

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,

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"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.

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(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

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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

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(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 transferee, the company may only recognise the transferee as having any title to that share

(2) A transferee 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 transferees 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 transferees' rights

28.—(1) Transferees 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 transferee wishes to have a share transferred to another person, the transferee 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 transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transferees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee'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—
- transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - 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,
 - 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
 - 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—
- the holder of the share, or
 - if the share has two or more joint holders, whichever of them is named first in the register of members, or
 - if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the trustee.

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—
- the terms on which the share was issued, or
 - 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—
- payable in respect of shares, and
 - 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—
- twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - 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—
- fixing the value of any assets,
 - paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
 - 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—
- the share has more than one holder, or
 - 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—
- 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
 - 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—
- on behalf of the persons entitled; and
 - 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—
- apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
 - 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
 - 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.

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- (2) A person is able to exercise the right to vote at a general meeting when—
- that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 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—
- the directors present; or
 - (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—
- shareholders of the company; or
 - otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

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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

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—
- any director of the company;
 - the company secretary (if any), or
 - 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

- 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—
- 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
 - 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—
- the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 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

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.