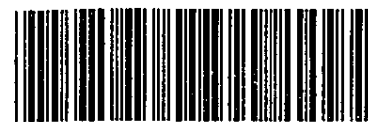


Company Number: 07308805

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COMPANIES HOUSE

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
SPECIAL RESOLUTIONS
OF
YOUVIEW TV LIMITED
(the "Company")**

Passed on 7 July 2014

The following resolutions were duly passed as special resolutions on 7 July 2014 by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006

SPECIAL RESOLUTIONS

1. **THAT** each of the issued shares in the classes listed in the first column of the table set out below be redesignated as a single share of the class of share set out opposite it in the second column of the table below:

Shares to be re-designated	New class of share
2011 Income Shares of £0 01 each	Voting Shares of £0 01 each
2012 Income Shares of £0 01 each	Voting Shares of £0 01 each
2013 Income Shares of £0 01 each	Voting Shares of £0 01 each
2014 Income Shares of £0 01 each	Voting Shares of £0 01 each
2015 Income Shares of £0 01 each	Voting Shares of £0 01 each
2016 Income Shares of £0 01 each	Voting Shares of £0 01 each
2017 Income Shares of £0 01 each	Voting Shares of £0 01 each
2018 Income Shares of £0 01 each	Voting Shares of £0 01 each
2019 Income Shares of £0 01 each	Voting Shares of £0 01 each
2020 Income Shares of £0 01 each	Voting Shares of £0 01 each
Additional Founder Shares of £0 01	Deferred Shares of £0 01

2. **THAT** the articles of association in the form attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company

Company Number 7308805

A Private Company Limited by Shares

Articles of Association of YouView TV Limited

(Adopted by Special Resolution on [7 July] 2014)

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Company No. 7308805

A Private Company Limited by Shares

Articles of Association of YouView TV Limited

(Adopted by Special Resolution on [7 JULY] 2014)

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,

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

"Available Profits" means profits available for distribution within the meaning of part 23 of the Act;

"BBC" means the British Broadcasting Corporation,

"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,

"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,

"DTT" means digital terrestrial television,

"EPG" means electronic programme guide,

"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"**),

"ISP" means an internet service provider,

"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) as amended by the Mental Health (Discrimination) Act 2013, 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 to 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),

"Requisite Directors" has the meaning given in Article 3 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),

"TV Quality Standard" has the meaning given in Article 2 1(g)

"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,

"YouView Core Product Proposition" means the minimum requirements for use of the YouView brand as described in Article 2 3,

"YouView Devices" means any end-user device which has been certified by or on behalf of the Company in accordance with the Company's published device and participant certification processes, together with remote controls and other peripherals,

"YouView Platform" means the hybrid broadband/broadcast television service developed by the Company, including any and all versions, updates, upgrades or modifications to the same and all YouView Devices, and

"YouView UI" means the YouView user interface incorporating the YouView Core Product Proposition

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 Purpose and Proposition

- (a) The Company exists to lead the development of free-to-air television in the UK with an upgrade path to pay services

- (b) The Company promotes a single YouView Core Product Proposition based on customer-centric principles including simplicity and quality of experience that seamlessly combines linear and on demand content
- (c) The YouView offering is available across a range of devices, including but not limited to set top boxes, integrated TVs and related services on mobile phones and tablets
- (d) The YouView offering is enabled by a hybrid DTT and IP solution and will evolve over time to be offered via an IP-only version and the Company has the ambition to offer a DSat variant, both in addition to the hybrid DTT and IP solution
- (e) YouView Devices will support the YouView Core Product Proposition and should work when connected to any ISP
- (f) The Company offers non-Shareholder ISPs the ability to distribute YouView Devices on terms that are fair, reasonable and non-discriminatory
- (g) The Company enables an open content ecosystem with policies that enable access to listings on the YouView Platform on a fair, reasonable and non-discriminatory basis. Content availability via the YouView Platform is subject to certain TV quality thresholds as may be implemented by the Company from time to time (the “**TV Quality Standard**”)
- (h) The YouView Platform maintains prominence for public service channels and portals across the YouView UI and prominence of the channel guide covering both absolute prominence and relative prominence
- (i) The Company conducts its business independently of the Shareholders in a way that is commercially and operationally efficient
- (j) All activities of the Company must comply with the requirements of European Union and UK law and regulation
- (k) For so long as the BBC is a Shareholder, all activities of the Company must meet the conditions of the BBC’s participation in the Company as set out in the documents “Canvas proposals – Final conclusions”, published by the BBC Trust on 25 June 2010, and “BBC Trust Review – YouView Summary of Findings”, published by the BBC Trust on 22 May 2014
- (l) The Company will promote, develop and enhance the take-up of broadband services and the availability of public service and other broadcast content in the UK

2.2 Scale

The Company’s primary objective is scale, with the aim of reaching ten million homes over the long term, via a range of distribution routes which include retail and ISPs as part of a bundle of services

2.3 Common User Experience

- (a) The Company will promote a single YouView Core Product Proposition which sets out the minimum requirements for use of the YouView brand. This must include

- (i) content journeys that enable a seamless experience across live and on demand content scroll-back, search, browse by genre,
 - (ii) a predominantly consistent YouView experience to include content journeys and look and feel (which will include ensuring a common YouView UI (including an EPG) is included within all receiving devices in accordance with the user interface policy adopted by the Company from time to time),
 - (iii) a core line up of content (which for the purposes of DTT shall include all Freeview channels and in respect of devices without DTT functionality the operators of Freeview channels currently available via DTT will be offered the opportunity to provide content), support for at least one digital rights management format, and the enablement of dynamic advertisement insertion for video on demand and, as and when technically feasible, for linear channels, and
 - (iv) the ability to support YouView feature updates, including new functionality and ongoing upgrades to existing features
- (b) The Company will seek to maintain a single common YouView Core Product Proposition across all trading brands, recognising the opportunity for trading brands, affiliate ISPs and content providers to offer services associated with but not provided by the Company to differentiate their customer proposition (e.g. cloud services)
 - (c) The Company will continue to develop and innovate the YouView proposition maintaining the principles of prominence for public service broadcasters, simplicity and ease of use, quality and innovation to include, for the avoidance of doubt, the principle of linear EPG prominence
 - (d) The Company will seek to reflect the needs of consumers in the on-going development of the YouView Core Product Proposition

2.4 Wide range of content and FRND access to listings and search

- (a) The Company will seek to enable access to a wide range of content including catch up, video on demand, linear, applications, all relevant public service content and support for different business models including subscription and pay per view
- (b) The Company will support, manage and develop an open ecosystem and ensure that access for content providers to listings on the YouView UI will be on a fair, reasonable and non-discriminatory basis, subject to the TV Quality Standard
- (c) The Company will undertake the management of listings compliance with the user interface policy adopted by the Company from time to time

2.5 Wide range of device deployments and media delivery technologies

- (a) The Company will seek to continue to develop the YouView software "stack" (or versions of it) such that the YouView Core Product Proposition can be deployed on a range of devices including but not limited to set top boxes, integrated TVs, HDMI plug-ins and full or complementary versions of the YouView Core Product

Proposition based on deep-linking made available via smart phones, tablets or other internet-connected devices

- (b) The Company will seek to enable the YouView Core Product Proposition to be delivered via a range of media delivery technologies including the current hybrid DTT and IP solution and DSat versions and an IP-only version
- (c) Content availability will be subject to the agreed TV Quality Standard

2.6 Cost recovery and Ratecard

- (a) The Company will continue to mitigate operational costs by charging for services including (without limitation) content provider access to the YouView UI, use of the YouView logo and mark and commercial exploitation of data collected by the Company
- (b) The setting of YouView platform fees should not compromise the overall objective of scale or the principle of an “open ecosystem” Any such activity will be charged to third parties on a “cost recovery” basis only
- (c) The Company should determine an overall strategy for optimising revenue, within this framework, that reflects what the market will bear

2.7 Quality

- (a) The Company will seek to ensure a high TV quality audio-video experience for long form content through the application of the TV Quality Standard
- (b) The Company will seek 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 YouView’s technical standards which implement the YouView user interface policy 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

2.8 Marketing and Brand

- (a) The Company will seek to continue to maintain and develop the YouView brand, logo and trademarks to drive scale through awareness and understanding, to include the continued development of an overall brand positioning, tone of voice and guidelines for the use of the YouView brand, logo and trademarks
- (b) The Company will seek to develop marketing and promotional campaigns in accordance with its brand guidelines adopted by the Company from time to time and to ensure that the YouView brand enjoys appropriate due prominence in all relevant marketing campaigns
- (c) The Company will seek to ensure that the YouView brand, logo and trademarks are used in accordance with its trade mark licence policy and any brand guidelines adopted by the Company from time to time

2.9 Promotion of Broadband and PSB Content

The Company will seek to promote, develop and enhance take-up of broadband services and the availability of public service and other broadcast content in the UK

2.10 Data

The collection and use of data by the Company shall comply at all times with all applicable data protection legislation and shall be in accordance with the data policy adopted by the Company from time to time

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 and shall be deemed quorate 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 an additional Director pursuant to Article 4 1(e) to chair their meetings (the “Chairman”) Model Article 12 shall be subject to this Article 3 6
- (b) If no Chairman has been appointed pursuant to Article 3 6(a), or 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 no Chairman has been appointed pursuant to Article 3.6(a), or 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)
- (f) For the avoidance of doubt, there shall be no entitlement to appoint a Director by virtue of any holding of Deferred Shares or Founder Shares

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 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 47 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, Founder Shares and Deferred Shares. Model Article 22(1) shall not apply.
- (b) The Voting Shares, the Founder 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 Founder Share or Deferred 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) Any Available Profits which the Company may determine to distribute in respect of any Financial Year shall be distributed among the holders of the Founder Shares *pro rata* to their respective holdings of Founder Shares. Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- (b) Save as provided in Article 5 4, the holders of Voting Shares and/or Deferred Shares shall not be entitled to receive any income or dividend or other distribution in respect of such shares.
- (c) 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 Founder Shares 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), and
 - (iii) the balance of the surplus assets (if any) being distributed among the holders of the Founder Shares *pari passu*

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 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 or 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

5.7 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 Founder 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) the creation or issue of any shares (other than Founder 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,
 - (iii) the purchase by the Company of any Voting Shares, or
 - (iv) 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 Founder 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 the Founder Shares

6. Allotments of Shares

6.1 Authority to allot shares

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

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