

Company No. 07488934

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

HTP GRANGE HOLDCO LIMITED (THE 'COMPANY')

On 17 June 2011, the following special resolutions were duly passed by the Company pursuant to section 288 of the Companies Act 2006

SPECIAL RESOLUTIONS

- 1 That the one existing issued ordinary share of £1 00 be re-designated as one Deferred share of £1 00,
- 2 that a new class of 1,764 A ordinary shares of £0 459 each, a new class of 2,040 B ordinary shares of £0 049 each and 196 C ordinary shares of £0 459 each
- 3 That the directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the **CA06**) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (**Allotment Rights**), but so that
  - (i) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £999 60
  - (ii) this authority shall expire on the fifth anniversary of passing of this resolution,
  - (iii) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry, and
  - (iv) all unexercised authorities vested in the directors on the date of this resolution to allot shares or to grant Allotment Rights,
- 4 That subject to the passing of resolution 3, the directors be hereby given power in accordance with section 570 of the CA06 to allot equity securities (within the meaning of section 560 of the CA06) pursuant to the authority conferred by resolution 3 above as if section 561(1) of the CA06 did not apply to the allotment provided that such power shall expire when the authority conferred by resolution 3 is revoked or expires unless previously renewed, varied or revoked by the company in general meeting but the company may before such expiry make an offer of agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of the offer or agreement as if the power had not expired, and





- 5 That the articles of association in the attached form, and for the purpose of identification marked "A", be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing Articles of Association



Director/Secretary



Company No. 7488934

**The Companies Act 2006**  
**Private Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**  
**of**  
**HTP GRANGE HOLDCO LIMITED**

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Adopted by special resolution passed in writing  
on 17 June 2011

ADDLESHAW GODDARD



Company No. 7488934

**The Companies Act 2006**  
**Private Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**  
**of**  
**HTP GRANGE HOLDCO LIMITED**  
**(the Company)**

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Adopted by special resolution passed in writing on 17 June 2011

**Preliminary**

**1 Interpretation**

**1.1 In these Articles**

**Act** means the Companies Act 2006 including any statutory modification or re-enactment of that Act for the time being in force

**Alternate** means any alternate director of the Company from time to time

**Articles** means the articles of association of the Company

**Associate** means in relation to any person

- (a) any Parent of such person,
- (b) any Subsidiary of such person; or
- (c) any other Subsidiary of such person's Parent

**Authority** means Halton Borough Council

**A Shareholder** means the holder of A Shares from time to time

**A Shares** means the class A ordinary shares of £0.459 each in the capital of the Company for the time being in issue

**B Shareholder** means the holder of B Shares from time to time

**B Shares** means the class B ordinary shares of £0.049 each in the capital of the Company for the time being in issue



**C Shareholder** means the holder of C Shares from time to time

**C Shares** means the class C ordinary shares of £0 459 each in the capital of the Company for the time being in issue

**clear days** in relation to a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

**company** includes any body corporate

**Deemed Transfer Notice** means a Transfer Notice that is deemed to be given under Article 12 or 13Error! Reference source not found.

**Deferred Shares** means the ordinary shares of £1 each in the capital of the Company

**electronic communication** means the same as in the Electronic Communications Act 2000

**executed** means any mode of execution

**Group** means the Company and its subsidiary undertakings from time to time and any Associate of the Company from time to time and **member of the Group** and **Group Company** shall be construed accordingly

**holder** means, in relation to any share, the member whose name is entered in the register of members as the holder of the share

**Office** means the registered office of the Company

**Ordinary Shares** means the ordinary shares of £0 2499 each in the capital of the Company

**Parent** means

- (a) a holding company within the meaning of Section 1159 of the Act,
- (b) a parent undertaking within the meaning of Section 1162 of the Act, and
- (c) in relation to any partnership, joint venture or other person, any person which directly or indirectly beneficially owns at the relevant time more than 50 per cent of the ownership interests of such partnership, joint venture or other person in circumstances where it can reasonably be expected that such person directs the affairs of the partnership, joint venture or other person

**Prescribed Price** means the price per share offered by the Proposing Transferor by a bona fide arm's length purchaser for the Proposing Transferor's shares or as determined in the Transfer Notice or as determined in accordance with these Articles

**Project Agreement** means the project agreement entered into between HTP Grange Limited and Halton Borough Council relating to the design, construction, financing and operation of The Grange School in Runcorn

**Proposing Transferor** means a company, person or persons proposing to dispose of shares in the capital of the Company



**secretary** means the secretary of the Company (if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

**Secured Institution** means any bank or institution to which shares have been charged by way of security, or to any nominee of such bank or institution

**shares** means prior to the Step Down Date the A Shares, B Shares and C Shares and on or after the Step Down Date means the Ordinary Shares

**Step Down Date** means the date of the last day of the Lock In Period (as defined in the Project Agreement)

**Subsidiary** means

- (a) a subsidiary undertaking within the meaning of Section 1162 of the Act,
- (b) a subsidiary within the meaning of Section 1159 of the Act, and
- (c) in relation to any person, any partnership, joint venture or other person of which such person directly or indirectly beneficially owns at the relevant time more than 50 per cent. of the ownership interests in circumstances where it can reasonably be expected that such person directs the affairs of the partnership, joint venture or other person

**Transfer Notice** means a written notice served by a member on the Company indicating a desire to dispose of shares

**United Kingdom** means Great Britain and Northern Ireland

- 1 2 Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act, but excluding any statutory modification of the Act not in force when these Articles become binding on the Company.
- 1 3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose
- 1 4 In these Articles, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications
- 1 5 No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) as amended prior to the date of adoption of these articles, apply as the regulations or articles of association of the Company
- 2 **Private company**
  - 2 1 The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited
  - 2 2 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them



**3 Share capital**

- 3.1 The share capital of the Company at the date of adoption of these Articles consists of A shares, B Shares and C shares.
- 3.2 Except as otherwise provided in these Articles, the A Shares, B Shares and C Shares shall rank pari passu in all respects but shall constitute separate classes of shares
- 3.3 On the Step Down Date the A shares, B Shares and C Shares shall automatically convert (under the authority given by the resolution passed to adopt these Articles and create those shares) to Ordinary Shares in accordance with the following sub-paragraphs, and Articles 3.5 and 3.6 shall apply
- (a) the A Shares shall be consolidated into one intermediary share of £809 676 which shall then be sub-divided into and redesignated as 3,240 Ordinary Shares,
  - (b) the B Shares shall be consolidated into one intermediary share of £99 96 which shall then be sub-divided into and redesignated as 400 Ordinary Shares; and
  - (c) the C Shares shall be consolidated into one intermediary share of £89 964 which shall then be sub-divided into and redesignated as 360 Ordinary Shares,
- 3.4 Except as expressly provided otherwise in these Articles the Ordinary Shares shall rank pari passu in all respects and shall constitute the same class of share
- 3.5 On the Step-Down Date, each shareholder shall deliver its share certificates in respect of the A Shares, B Shares and C Shares to the Office and shall be entitled to be issued with a new share certificate in accordance with Article 4 below, for the Ordinary Shares that it holds. The directors of the Company are empowered to and shall take any other such action as may be required to effect the conversion ratio specified in Article 3.3
- 3.6 The conversion of A Shares, B Shares and C Shares does not constitute a variation of the rights attaching to those classes of shares
- 3.7 The Ordinary Shares resulting from the conversion carry the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares in respect of the financial year of the Company in which the conversion occurs
- 3.8 Except as otherwise provided in these Articles, no variation of the rights attaching to any class of shares shall be effective except with
- (a) the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class, or
  - (b) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the relevant class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy and holding or representing not less than one-third in nominal value of the issued shares of the relevant class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the



purpose of this Article 3 8 one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting

3 9 Except as otherwise provided for in these Articles each of the following shall be deemed to constitute a variation of the rights attached to each class of shares

(a) any alteration to these Articles, and

(b) any resolution to put the Company into liquidation

3 10 The Deferred Shares shall not confer on the holders of them any right to receive payment of any dividend nor any right to receive notice of, or attend and vote at, any general meeting of the Company nor any right to receive any payment in respect of the Deferred Shares on a return of assets on a winding up or otherwise

#### **4 Allotment of shares**

4 1 The directors have general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company to such persons, at such times and on such terms and conditions as the directors may decide but no share may be issued at a discount

4 2 The directors have general and unconditional authority, under section 551 of the Act, to exercise all powers of the Company to allot relevant securities for a period expiring on the fifth anniversary of the date of adoption of these Articles unless previously renewed, varied or revoked by the Company in general meeting

4 3 The maximum nominal amount of equity securities which may be allotted under the authority conferred by Article 4 2 is £999 60 at the date of the adoption of these Articles

4 4 By the authority conferred by Article 4 1, the directors may before the authority expires make an offer or agreement which would or might require relevant securities to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement

#### **5 Rights attached to shares**

5 1 In accordance with section 570 of the Act the pre-emption provisions of section 561 of the Act do not apply to an allotment of the Company's equity securities

5 2 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine

5 3 Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles

#### **6 Payment of commission**

The Company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully- or partly-paid shares or partly in one way and partly in the other



**7 Trusts not recognised**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of that share in the holder

**8 Share certificates**

8 1 Every member, upon becoming the holder of any shares, shall be entitled

- (a) to one certificate for all the shares of each class held by him and thereafter,
- (b) without payment
  - (i) upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding, and
  - (ii) upon conversion of any shares on the Step Down Date, to a certificate for the new holding of Ordinary Shares; and
- (c) several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine

Every certificate shall be signed on behalf of the Company by at least one director and the secretary or by at least two directors or by such other person or persons as may be authorised by the directors for that purpose and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate for a share to one joint holder shall be a sufficient delivery to all of them

8 2 If a share certificate is defaced, worn-out, lost or destroyed, it may be replaced on such terms (if any) as to evidence and indemnity and the payment of the expenses reasonably incurred by the Company in investigating evidence, as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate

**9 Lien**

9 1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article 9 1. The Company's lien on a share shall extend to any amount payable in respect of it

9 2 The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold

9 3 To give effect to a sale pursuant to Article 9.2 the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with, the directions of



the purchaser. The title of the transferee to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

9 4 The net proceeds of the sale pursuant to Article 9 2, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale

9 5 The Company shall have no lien on any shares which have been charged by way of security to a Secured Institution

#### **10 Calls on shares and forfeiture**

10 1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made

10 2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed

10 3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share

10 4 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part

10 5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call

10 6 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares

10 7 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited

10 8 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors



and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

- 10 9 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person
- 10 10 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 10 11 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

#### **11 Transfer of shares**

- 11 1 The directors shall register a transfer made in accordance with the provisions of these Articles The directors shall refuse to register any transfer unless such transfer has been made in accordance with the provisions of the Articles
- 11 2 Any pre-emption rights contained in these Articles shall not apply in relation to any shares which have been charged by way of security to a Secured Institution by any shareholder of the Company from time to time
- 11 3 Notwithstanding anything contained in these Articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration thereof, where such transfer
- (a) is to Secured Institution, or
  - (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares, or
  - (c) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security

and the directors shall forthwith register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be



required to offer the shares which are or are able to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for any valuable consideration or otherwise. A certificate by an official of a transferor that they are a Secured Institution and the transfer was executed in the circumstances provided by this Article shall be conclusive evidence of such facts.

11.4 Prior to the Step Down Date, where any share is transferred to

- (a) an A Shareholder, it shall be deemed an A Share;
- (b) a B Shareholder, it shall be deemed a B Share; and
- (c) a C Shareholder, it shall be deemed a C Share.

## 12 Obligatory transfer

12.1 If any of the following events occur in relation to a member:

- (a) the member enters into any moratorium, composition or arrangement with its creditors generally or seeks protection from its creditors or is unable to pay its debts or becomes insolvent or bankrupt in accordance with applicable law;
- (b) an encumbrancer or receiver lawfully takes possession or an administrative receiver or similar insolvency practitioner is appointed over the whole or any part of the undertaking, property or any assets of the member;
- (c) an order is made or resolution is passed or notice is issued convening a meeting for the purposes of passing a resolution or any analogous proceedings are taken for the appointment of an administrator of, or the winding up of, the member, other than a members' voluntary liquidation solely for the purposes of an amalgamation or reconstruction;
- (d) a member attempting to deal with or dispose of any share or any interest in it otherwise than in accordance with Article 13 or Article 14.1, or
- (e) any other event occurs which all the members have agreed in writing will lead to a Transfer Notice being deemed to have been given,

then the member shall be deemed to have given a Transfer Notice in accordance with Article 13 in respect of all of the shares held by that member and the Prescribed Price shall be the Deemed Transfer Price.

12.2 If any member fails to make any payments it has contracted to make in connection with a subscription for shares, debentures or loan stock in the Company and such default is still unremedied 14 days after notice has been given to such member to remedy it, then that member shall be deemed to have given a Transfer Notice in accordance with Article 13 in respect of all the shares held by that member and the Prescribed Price shall be the sum of £1 in respect of all the shares held by the member. Any transferee shall inherit all the payment obligations in connection with the subscription for shares, debentures and loan stock in the Company with which the relevant member failed to comply.



**13 Pre-Emption on Transfer**

- 13 1 Except in the case of a transfer or disposal permitted under Article 14 1, the right to transfer shares or to dispose of any shares or any interest therein, shall be subject to the restrictions and provisions of this Article 13
- 13 2 Before transferring or disposing of any shares or any interest in any shares, the Proposing Transferor shall give a Transfer Notice to the Company that it desires to transfer or dispose of the same. The Transfer Notice shall constitute the Company such Shareholder's agent for the sale of the shares referred to therein (together with all rights and obligations attached thereto) at the Prescribed Price (determined in accordance with Article 13 3 unless the Prescribed Price is required by these Articles or the directors to be the Deemed Transfer Price, in which case, forthwith upon receipt or deemed receipt of the relevant Transfer Notice, the Company shall determine the Deemed Transfer Price in accordance with these Articles) during the Prescribed Period and otherwise in accordance with this Article 13. The Transfer Notice shall not be revocable except with the consent of the Directors or where the Proposing Transferor is not willing to sell at the Prescribed Price as determined in accordance with Article 13 3 and has given prior notice to this effect. Deemed Transfer Notices are not revocable. The Transfer Notice shall specify that all and not part only of a Shareholder's shares are to be transferred or disposed of
- 13 3 If a bona fide offer is made by an arms length purchaser for the shares to be transferred, then such price shall constitute the **Prescribed Price**. If no bona fide offer is made but the Proposing Transferor and the Directors have agreed a price per share, subject to the Transfer Notice (which price is believed by the Board (with any Directors appointed by the Proposing Transferor taking no part) to represent the fair value thereof) and such agreement was reached not more than one month before the proposed transfer then such price shall be the **Prescribed Price**. In all other circumstances on the giving of the Transfer Notice the Directors shall (or if they shall not, the President, for the time being, of the Institute of Chartered Accounts of England and Wales shall, at the request of any Shareholder) request an independent accountant of international standing (acting as an expert and not an arbitrator) to determine and give an opinion as to the sum per share for the shares that are the subject of the Transfer Notice considered by them to be the **fair value** (which shall mean the fair selling value of the shares having regard to the value of the Business on a going concern basis and on the basis of an arm's length transaction between a willing seller and willing purchaser and disregarding that any shares represent a minority or majority interest) thereof as at the date of the proposed transfer which when so determined and certified shall be the **Prescribed Price**. In any case there shall be deducted from the Prescribed Price so agreed or certified, save to the extent that such has already been taken into account in calculating the Prescribed Price, any dividend or other distribution or interest declared or made on or paid after the date of the agreement or, as the case may be, certification, which is to be retained by the Proposing Transferor. If the Proposing Transferor is not willing to sell at the Prescribed Price then the Proposing Transferor may within a period of 10 Business Days following the date of determination of the Prescribed Price (**Prescribed Price Withdrawal Period**) withdraw the shares from sale by serving notice on the Company to that effect. The cost of the independent accountant shall be borne by the Proposing Transferor
- 13 4 On the expiry of the Prescribed Price Withdrawal Period in the case of a Transfer Notice or within 14 days of service of the Deemed Transfer Notice, all shares included in any Transfer Notice or Deemed Transfer Notice shall first be offered by the Company by notice in writing to the other Shareholder for purchase at the Prescribed Price or Deemed Transfer Price (as relevant). Such offer, shall specify a time limit (not being less than 10 Business Days) within which it must be accepted or in default of acceptance will lapse (**Prescribed Period**)



- 13.5 If the Company has within the Prescribed Period received notice that the other Shareholder (**Purchaser**) wishes to purchase all of the shares concerned, it shall give notice in writing thereof to the Proposing Transferor who shall be bound upon payment of the Prescribed Price or Deemed Transfer Price (as relevant) to transfer such shares to the Purchaser. The purchase shall be completed at a place and time being not less than 10 Business Days, nor more than 15 Business Days after the date of such notice and as are contained in such notice.
- 13.6 If the Company has not within the Prescribed Period received notice that the other Shareholder is willing to purchase all the shares it shall give notice in writing thereof to the Proposing Transferor and the Proposing Transferor, at any time thereafter up to the expiration of two months thereafter, shall be at liberty to transfer the shares to any person on a bona fide sale at any price not being less than the Prescribed Price (after deducting where appropriate any dividend or other distribution or interest paid, declared or made after the date of the Transfer Notice and being retained by the Proposing Transferor and which was not taken into account in the determination of the Prescribed Price) provided that no transfer may be made and the Directors shall not register a transfer unless the provisions of Article 11 have been observed.

#### **14 Intra-group transfers**

- 14.1 A shareholder may transfer all or some of its shares to a member of its Group on giving written notice to the Company and the other shareholders. No Transfer Notice shall be deliverable and the provisions of Articles 13.2 to 13.6 shall not otherwise apply to any such transfer. Any transferee shall immediately retransfer the shares it has acquired to the transferor (or a member of its Group) if it ceases to be a member of that shareholder's Group.

#### **Transmission of shares**

- 14.2 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his interest, but nothing in the Articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- 14.3 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
- 14.4 A person becoming entitled to a share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

#### **Alteration of share capital**

- 14.5 The Company may by ordinary resolution



- (a) issue new shares of such amount as the resolution prescribes,
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,
  - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
  - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled
- 14 6 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 14 7 Subject to the provisions of the Act, the Company may by special resolution reduce any capital redemption reserve and any share premium account in any way
- 15 Purchase of own shares**
- 15 1 Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares
- 16 General meetings**
- 16 1 The quorum necessary for a general meeting shall be not less than two members together owning not less than 75 per cent of the shares in the Company
- 16 2 The directors may call general meetings and, on the requisition of members under the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions with the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member may call a general meeting
- 16 3 The accidental omission to give notice of a meeting of shareholders to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting
- 17 Proceedings at general meetings**
- 17 1 No business shall be transacted at any meeting (including adjourned meetings) unless a quorum is present. The quorum at any general meeting of the Company or adjourned meeting at any time prior to the Step Down Date shall be three persons present in person or by proxy of whom one shall be the holder of A Shares, one shall be the holder of B Shares and one



shall be the holder of C Shares and on or after the Step Down Date shall be the holder or holders of 81% or more of the Ordinary Shares in issue whether present in person or by proxy

- 17.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such day and at such time and place as the directors may determine. If at such adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum.
- 17.3 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman. The chairman at any general meeting shall not be entitled to a second or casting vote.
- 17.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 17.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 17.6 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 17.7 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded
- (a) by the chairman, or
  - (b) by any member present in person or by proxy and entitled to vote
- 17.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 17.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.



- 17.10 A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 17.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 17.12 No notice need be given of a poll not taken forthwith if the time and place at which it is taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.13 A resolution in writing signed or approved by letter, facsimile, telegram or telex by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. If a resolution in writing is described as a special resolution, it has effect accordingly. This Article is in addition to, and not limited by the provisions in sections 288 of the Act.
- 18 General meetings by telephone**
- 18.1 A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able
- (a) to hear each of the other participating members addressing the meeting, and
  - (b) if he so wishes, to address all of the other participating members simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.
- 18.2 A quorum is deemed to be present if those conditions in Articles 18.1(a) and 18.1(b) are satisfied in respect of at least the number of members required to form a quorum.
- 18.3 A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 18.4 A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains. A poll may be demanded
- (a) by the chairman, or
  - (b) by at least two members having the right to vote at the meeting, or



- (c) by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting, or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,

and a demand by a person as proxy for a member shall be the same as a demand by the member

- 18 5 References in this Article 18 to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives

**19 Votes of members**

- 19 1 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall prior to the Step Down Date have one vote for every A Share, one vote for every B Share and one vote for every C Share of which that person is the holder, and on a poll every member represented who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative not being himself a member entitled to vote, shall have one vote for every A Share, one vote for every B Share and one vote for every C Share of which that person is the holder.
- 19 2 On and after the Step Down Date, each holder of shares shall, subject to Article 3 10, have one vote for each share of which that person is the holder (whether on a show of hands or a poll)
- 19 3 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members
- 19 4 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable
- 19 5 No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid
- 19 6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at



the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

- 19.7 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.
- 19.8 An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointer.
- 19.9 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:
- (a) in the case of an instrument in writing be left at or sent by post or by facsimile transmission to the Office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
  - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications-
    - (i) in the notice convening the meeting, or
    - (ii) in any instrument of proxy sent out by the Company in relation to the meeting, or
    - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or
  - (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and at any time not less than 24 hours before the time appointed for the taking of the poll, or
  - (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director,

and an instrument of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

- 19.10 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll



demanding or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

**20 Directors**

20.1 Unless otherwise determined by special resolution, the number of directors shall be not less than two and shall not be subject to a maximum number

20.2 Prior to the Step Down Date

(a) The A Shareholder shall be entitled by notice in writing signed by it and left at or sent by registered post to the Office to appoint up to four directors (each an **A Director**) and an Alternate, to remove any A Director or Alternate appointed by it and appoint any other person to be an A Director or Alternate in the place of an A Director or Alternate removed under this Article 20.2(a) or in the place of any A Director or Alternate vacating or ceasing to hold office in any way and originally so appointed by them

(b) The B Shareholder shall be entitled by notice in writing signed by it and left at or sent by registered post to the Office to appoint one director (**B Director**) and an Alternate, to remove any B Director or Alternate appointed by it and appoint any other person to be a B Director or Alternate in the place of a B Director or Alternate removed under this Article 20.2(b) or in the place of a B Director or Alternate vacating or ceasing to hold office in any way and originally so appointed by them

(c) The C Shareholder shall be entitled by notice in writing signed by it and left at or sent by registered post to the Office to appoint one director (**C Director**) and an Alternate, to remove any C Director or Alternate appointed by it and appoint any other person to be a C Director or Alternate in the place of a C Director or Alternate removed under this Article 20.2(c) or in the place of a C Director or Alternate vacating or ceasing to hold office in any way and originally so appointed by them

20.3 On and after the Step-Down Date, a person holding Ordinary Shares representing not less than

(a) 81% of the Ordinary Shares in issue shall be entitled to appoint up to a maximum number of four Directors in total to the Board (each a "**Majority Director**"), remove the Directors appointed by it and, if desired, appoint Directors in their place,

(b) and not more than 10% of the Ordinary Shares in issue shall each be entitled to appoint one Director (the "**Commercial Director**") to the Board, remove the Director appointed by it and, if desired, appoint a Director in their place (and shall remove any Directors appointed pursuant to Article 20.2(b) which would make the number of Commercial Directors appointed more than one), and

(c) and not more than 9% of the Ordinary Shares in issue shall each be entitled to appoint one Director (the "**Non-Commercial Director**") to the Board, remove the Director appointed by it and, if desired, appoint a Director in their place (and shall remove any Directors appointed pursuant to Article 20.2(c) which would make the number of Non-Commercial Directors appointed more than one)

20.4 For the avoidance of doubt, on the Step Down Date, the A Directors, B Director and C Director shall cease to be designated as such and will be designated as Majority Directors



and/or Commercial Directors and/or Non-Commercial Directors (as the case may be) in accordance with these Articles

- 20 5 Any notice given under Article 20 2 or Article 20 3 shall take effect immediately upon delivery to the Company at the Office. A director appointed under Article 20 2 or Article 20 3 may not be removed except in accordance with the relevant Article
- 20 6 Every director appointed under Article 20 2 or Article 20 3 shall hold office until he is either removed or dies or vacates office under Article 20 17 and (subject to the provisions of section 168 of the Act) neither the Company in general meeting nor the directors shall have power to fill any vacancy so arising
- 20 7 Any director appointed under Article 20 2 or Article 20 3 shall be at liberty from time to time and at any time to make such disclosures to the shareholder (and where such shareholder is a corporation to its holding company or any of the subsidiary companies of such holding company) appointing him as to the business and affairs of the Company as he shall in his absolute discretion determine.
- 20 8 Except in the manner provided by Article 20 2 or Article 20 3 no person shall be appointed to fill any vacancy occurring in the office of director and neither the Company in general meeting nor the director shall have power to fill any such vacancy.
- 20 9 Prior to the Step Down Date, at a meeting of the board of directors:
- (a) the A Directors present which are entitled to vote (whatever their number) shall between them have 44 votes,
  - (b) the B Director shall have 51 votes, and
  - (c) the C Director shall have 5 votes
- 20 10 On and after the Step Down Date
- (a) the Majority Directors present which are entitled to vote (whatever their number) shall between them have 81 votes,
  - (b) the Commercial Director shall have 10 votes, and
  - (c) the Non-Commercial Director shall have 9 votes
- 20 11 A director need not hold any shares of the Company to qualify as a director but he shall be entitled to receive notice of and attend all general meetings of the Company and at all other meetings of the holders of any class of shares in the capital of the Company
- 20 12 If any director shall be called upon to perform extra services or make special exertions for any of the purposes of the Company the Company may remunerate the director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the directors and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a director
- 20.13 Subject to the provisions of the Act and to any directions given by special resolution, save as expressly provided elsewhere in these Articles, the business of the Company shall be managed by the directors who may exercise all the powers of the Company including the power to borrow or raise money and to mortgage or charge its undertaking, property and



uncalled capital and to issue debentures, debenture or loan stock and other securities or instruments as security for any debt, liability or obligation of the Company or of any third party. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such terms as they determine, including authority for the agent to delegate all or any of his powers

- 20 14 Subject to Article 20 12 and Article 20 15, a director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction or arrangement or proposed transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors before the Company enters into a proposed transaction or arrangement, or in the case of an existing transaction or arrangement, as soon as reasonably practicable in accordance with the Act. Subject, where applicable, to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present
- 20 15 A director shall be entitled to abstain from voting or to absent himself from all or any part of any meeting in relation to any matter where he considers that to vote for or against a matter may put him in breach of his duties to the Company (whether at law or by reference to any code of conduct, good governance procedures or otherwise) and if he so abstains or absents himself then he shall not be in breach of his duties as a director in relation to the matter in question
- 20 16 Any director shall be entitled from time to time to disclose to his appointing shareholder such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one appointing shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing
- 20 17 The office of director shall be vacated if the director
- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally, or
  - (b) becomes prohibited from being a director by reason of any order made under the Company Directors Disqualification Act 1986, or
  - (c) in the opinion of all his co-directors becomes incapable by reason of mental disorder of discharging all or any of his duties as a director, or
  - (d) resigns his office by notice in writing to the Company, or
  - (e) is removed from office under Article 20.2, 20 3 or Article 20 6

## **21 Directors' power to authorise conflict situations**

- 21 1 For the purposes of section 175 of the Act, the directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (a **Conflict Authorisation**), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a director (a **Relevant Director**) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a **Conflict Situation**). Any Conflict Authorisation shall extend to any actual or possible



conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised

21.2 Notwithstanding any other provision in these Articles, the quorum for any meeting of the directors whilst it is considering the grant, alternation or revocation of a Conflict Authorisation shall be

(a) prior to the Step Down Date

- (i) where the Conflict Situation relates to an A Director, one B Director or one C Director,
- (ii) where the Conflict Situation relates to a B Director, one A Director or one C Director;
- (iii) where the Conflict Situation relates to a C Director, one A Director or one B Director

(b) on and after the Step Down Date

- (i) where the Conflict Situation relates to a Majority Director, any two other directors, and
- (ii) where the Conflict Situation relates to a Commercial Director, one Majority Director and any other director; and
- (iii) where the Conflict Situation relates to a Non-Commercial Director, one Majority Director and any other director

21.3 Where directors give a Conflict Authorisation

- (a) the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded),
- (b) the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation, and
- (c) the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject

21.4 Any terms to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 21.1) provision that

- (a) where the Relevant Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,
- (b) the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter



(whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter, and

- (c) the Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 21 1) will not constitute a breach by him of his duties under sections 171 to 177 of the Act

21 5 Subject to this Article 21 5 and Article 21 8 but without prejudice to Article 21 1 to Article 21 3, authorisation is given by the members of the Company for the time being on the terms of these Articles to each director in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by the Company and/or any other member (if any) of the Relevant Group (**Group Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (**Group Conflict Authorisation Terms**) are automatically set by this Article 21 5 so that the director concerned

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
  - (i) absent himself from the discussions of, and/or the making of decisions,
  - (ii) make arrangements not to receive documents and information,

relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 171 to 177 of the Act

21 6 A Group Conflict Authorisation given or deemed given under Article 21.5 may be revoked, varied or reduced in its scope or effect by special resolution

21 7 In this Article 21 **Relevant Group** comprises

- (a) the Company,
- (b) any body corporate which is for the time being a wholly owned subsidiary of the Company,



- (c) any body corporate of which the Company is for the time being a wholly owned subsidiary (a **Parent**),
- (d) any body corporate (not falling within any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent; and
- (e) any body corporate which is for the time being a member of the Company

21.8 Authorisation is given by the members of the Company for the time being on the terms of these Articles to each director for the time being (including any alternate) in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the director is or becomes a shareholder investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Member Entity (**Member Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Member Conflict Authorisation (**Member Conflict Authorisation Terms**) are automatically set by this Article 21.8 so that the director

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Member Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
  - (i) absent himself from the discussions of, and/or the making of decisions,
  - (ii) make arrangements not to receive documents and information,

relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Member Conflict Authorisation Terms as a breach by him of his duties under sections 171 to 177 of the Act

21.9 In this Article 21 **Relevant Member Entity** means.

- (a) any registered holder of shares in the Company (a **Member**),
- (b) any body corporate in which a Member holds for the time being or has ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise), and
- (c) any other body corporate which is in the same group as any Member or with whom the Member (or a member of its group) has or is proposing or considering having any business or commercial dealings or relationship

21.10 A director shall not, save as otherwise agreed by him, be accountable for any benefit which he (or any person connected with him) derives from any matter authorised by the directors



under Article 21 and any contract transaction or arrangement relating thereto shall not be liable to be avoided on grounds of any such benefit

- 21 11 For the purpose of this Article 21 in relation to an alternate director, the interest of his appointer is treated as an interest of the alternate director in addition to any other interest the alternate director has. Article 21 applies to alternate directors as if he were a direct otherwise appointed.

## **22 Alternate directors**

- 22 1 Acting under the authority of a shareholder under Article 20 2 or Article 20 3, any director may by writing under his hand appoint any other person authorised by such shareholder to be his Alternate

- 22 2 Every Alternate shall

- (a) subject to his giving to the Company an address and/or an address for receiving electronic communications within the United Kingdom at which notices may be served on him, be entitled to receive notices of all meetings of the directors, and
- (b) in the absence from the board of directors of the director who appointed him, be entitled to exercise all the powers, rights, duties and authorities of the director appointing him.

- 22 3 Under the authority of a shareholder under Article 20.2 or Article 20 3, a director may at any time revoke the appointment of an Alternate appointed by him under Article 22 1, and subject to the relevant shareholder approval may appoint another person in his place

- 22 4 If a director shall die or cease to hold office as director the appointment of his Alternate shall thereupon cease and determine

- 22 5 An Alternate shall not be counted in reckoning the maximum number of directors allowed by the Articles for the time being

- 22 6 In addition to his own vote(s), at meetings of directors a director acting as Alternate shall have additional votes, equal to the sum of the number of votes of each director for whom he acts as Alternate (unless any such director is present at the meeting)

- 22 7 Every person acting as Alternate shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of or for the director appointing him. The remuneration of any such Alternate shall be payable out of the remuneration payable to the director appointing him and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the Alternate and the director appointing him

## **23 Proceedings of directors**

- 23 1 Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes

- 23 2 No business shall be transacted at any meeting (including adjourned meetings) unless a quorum is present. Prior to the Step Down Date a quorum shall be one A Director, one B Director and one C Director and after the Step Down Date the quorum shall be one Majority



Director and one other Director If a quorum is not present within 30 minutes of the time for the relevant meeting as set out in the notice of meeting then the meeting shall be adjourned for 7 days and at the adjourned meeting the quorum shall be the directors then present

- 23 3 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be valid and effectual as if it has been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors, but a resolution signed by an Alternate need not also be signed by his appointer and, if it is signed by a director who has appointed an Alternate it need not be signed by the Alternate in that capacity
- 23 4 The appointment of the chairman of each Board shall rotate annually between the Directors The chairman shall have no casting vote
- 23 5 On or after the Step Down Date, the chairman of the board shall be nominated and/or replaced by the holder(s) of not less than 51% of the Ordinary Shares and the chairman shall have no casting vote
- 23 6 The directors may delegate any of their powers to committees Any committee so formed shall exercise only the powers so delegated and shall conform to any regulations that may be imposed by the directors Any director or Alternate shall have the right but not the obligation to attend the meetings of any committees so formed Any such delegation may be made subject to any conditions the directors may impose and either collaterally with or without exclusion of their own powers and may be revoked or altered
- 23 7 The meeting and proceedings of any committee of the directors formed under Article 23 shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations made by the directors set out under Article 23 1
- 23 8 Any director or Alternate or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting
- 23 9 The directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of chief executive or managing or joint managing or deputy or assistant managing director (or variations on the same) as the directors may decide for such fixed term or without limitation as to period and on such terms as they think fit and a director appointed to any such executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of director from any cause ipso facto and immediately cease to hold such executive office
- 24 Secretary**
- 24 1 The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit, and any secretary so appointed may be removed by the directors



**25 Minutes**

- 25 1 The directors shall cause minutes to be made in books kept for the purpose
- (a) of all appointments of officers made by the directors, and
  - (b) of all proceedings of meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting

**26 Dividends**

- 26 1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors
- 26 2 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall 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 any shares having deferred or non-preferred rights
- 26 3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly
- 26 4 The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share
- 26 5 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees
- 26 6 Any dividend or other moneys payable on or in respect of a share may be paid
- (a) by cheque sent by post to the registered address of the person entitled, or
  - (b) by electronic communication (telegraphic transfer) sent to the bank account notified to the Company for such purposes of the person entitled; or



- (c) if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder
    - (i) by electronic payment (telegraphic transfer) sent to the bank account notified to the Company for such purposes; or
    - (ii) by cheque sent by post to the registered address of that one of those persons who is first named in the register of members or to such person and to such address or bank account as the person or persons entitled may in writing direct.
- 26.7 Every cheque shall be made payable to the order of the person or persons entitled. In the alternative, payment by cheque or by electronic communication may be made to such other person as the person or persons entitled may in writing direct and payment of the cheque or, in the case of payment by electronic communication evidence of payment by the Company to the address notified in writing to the Company by the person or persons entitled to payment, shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 26.8 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- 26.9 Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.
- 27 Accounts**
- 27.1 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.
- 28 Capitalisation of profits**
- 28.1 The directors may with the authority of an ordinary resolution of the Company
- (a) subject as provided in this Article 28.1, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve,
  - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article 28.1, only be applied in paying up unissued shares to be allotted to members credited as fully paid,



- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend;
- (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article 28 1 in fractions, and
- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members

## **29 Notices**

- 29 1 Any notice to be given to or by any person under the Articles shall be in writing (except that a notice calling a meeting of the directors need not be in writing) or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice
- 29 2 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address
- 29 3 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purposes for which it was called
- 29 4 Every person who becomes entitled to any share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title.
- 29 5 A notice sent to a member (or other person entitled to receive notices under the Articles) is deemed to be given
  - (a) by post to an address within the United Kingdom
    - (i) 24 hours after posting, if pre-paid as first class, or
    - (ii) 48 hours after posting, if pre-paid as second class, or
  - (b) by post to an address outside the United Kingdom 72 hours after posting, if pre-paid as airmail

Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left



- 29 6 A notice sent to a member (or other person entitled to receive notices under the Articles) is deemed to be given by an electronic communication 48 hours after the time it was sent provided that no error message has been received indicating failed delivery.

Proof that a notice contained in an electronic communication was sent, is conclusive evidence that the notice was given, if evidenced

- (a) in relation to a notice sent by fax, by a copy of the fax report showing the date and time of transmission and the address notified to the Company under Article 29 5 for such purposes, or
  - (b) in relation to a notice sent by e-mail, by a copy of the e-mail showing the date and time of sending and the address notified to the Company under Article 29 5 for such purposes, or
  - (c) in relation to any other method of electronic communication, by a record of such communication showing date and time of transmission and the address notified to the Company under Article 29.5 for such purposes
- 29 7 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

### **30 Winding up**

- 30.1 Subject to Article 3 10, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

### **31 Indemnity**

- 31 1 Subject to the provisions of the Act and any restrictions in any financing arrangements entered into by the Company, but without prejudice to any indemnity to which he may otherwise be entitled, each person who is or was a director, Alternate or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred,
- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or



- (b) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

31 2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was

- (a) a director, Alternate, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect), or

- (b) trustee of a retirement benefits scheme or other trust in which a person referred to in the preceding paragraph is or has been interested,

indemnifying him against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company

## **32 Sole member**

32 1 If and for so long as the Company has only one member

- (a) in relation to a general meeting, the sole member or a proxy for that member or (if the member is a corporation) a duly authorised representative of that member is a quorum,
- (b) a proxy for the sole member may vote on a show of hands,
- (c) the sole member may agree that any general meeting, other than a meeting called for the passing of a special resolution, be called by shorter notice than that provided for by the Articles, and
- (d) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise)