

**FFREES FAMILY FINANCE LIMITED**

(the "Company")

**Written Resolutions of the Company**

Circulation date *25 March* 2013 ("Circulation Date")

SATURDAY



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the following resolutions are passed, resolutions 1 and 2 as ordinary resolutions and resolutions 3 and 4 as special resolutions ("**Resolutions**")

**ORDINARY RESOLUTIONS**

- 1 That the 516,667 issued preference shares of £1 00 each in the capital of the Company be *P.2* redesignated into 516,667 A preference shares of £1 00 each
- 2 That the directors of the Company be authorised (generally and unconditionally) pursuant to section 551 of the Act 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**) on the terms set out therein, but so that *P.10*
  - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are
    - (i) 27,858 ordinary shares of £0 01 each, and
    - (ii) 630,667 B preference shares of £1 00 each,
  - (b) this authority shall expire on 12 April 2013,
  - (c) 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
  - (d) all unexercised authorities already vested in the directors as at the date of this resolution to allot shares or to grant Allotment Rights, or to allot relevant securities (as defined in the Act), are revoked


**SPECIAL RESOLUTIONS**

- 3 That the directors of the Company be generally empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of that Act), pursuant to the authority conferred on them by the resolution 2 above), as if section 561(1) of that Act did not apply to any such allotment, provided that this power *P.11*
  - (a) is limited to the allotment of equity securities as set out in resolution 2(a) above, and
  - (b) shall expire on 12 April 2013 (unless renewed, varied or revoked by the Company prior to or on that date) save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry
- 4 That the regulations attached hereto and initialled by the chairman for the purposes of identification be adopted by the Company as its new Articles of Association ("**New Articles**") *AA* in place of its existing Articles of Association

## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned, the persons entitled to vote on the Resolutions on the Circulation Date referred to above, hereby irrevocably agreed to the Resolutions

Signed   
for and on behalf of **Finance Yorkshire Equity LP**

Date 25 March 2013

Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**

Date

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date

**FFREES FAMILY FINANCE LIMITED**

(the "Company")

**Written Resolutions of the Company**

Circulation date *25 March* 2013 ("Circulation Date")

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**Peter Simpson**

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for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**



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Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**



Date 25 March 2013

Signed  
**Peter Simpson**



Date 25 March 2013

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**Chris Procter**

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Date

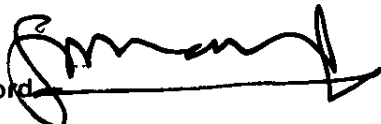
Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**



Date

25 March 2013

Signed  
**Nigel Medhurst**

Date

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date

Company Number 07516554

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for and on behalf of **Finance Yorkshire Equity LP**

Date

Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**

Date

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**



Date

08/09/13

Signed  
**Doug Bonnar**

Date

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Date

Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**

Date

Signed  
**Peter Simpson**

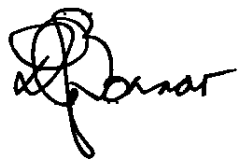
Date

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date



25 March 2013



## NOTES

- 1 If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
  - By Hand delivering the signed copy to the registered office of the Company
  - Post returning the signed copy by post to the registered office of the Company
- 2 If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
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**FFREES FAMILY FINANCE LIMITED**

(the "Company")

**Written Resolution of the Company**

Circulation date *25 March* 2013 ("Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the following resolution is passed as a special resolution ("**Resolution**")

**SPECIAL RESOLUTION**

- 1 Notwithstanding the provisions of Article 37 of the Company's articles of association, in relation to the accounts of the Company for the year ended 28 February 2013, the directors of the Company shall not be obligated to arrange for such accounts to be audited and laid before the Company in an annual general meeting

**AGREEMENT**

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The undersigned, the persons entitled to vote on the Resolution on the Circulation Date referred to above, hereby irrevocably agreed to the Resolution

Signed  
for and on behalf of *Burton* **Finance Yorkshire Equity LP**

Date *25 March 2013*

Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**

Date



A16

13/04/2013  
COMPANIES HOUSE

#165

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date

Signed  
**Alan Hughes**

Date

Signed  
**Paul Neale**

Date

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Signed  
for and on behalf of **Finance Yorkshire Equity LP**

Date

Signed  
for and on behalf of **Finance Yorkshire Seedcorn LP**

Date *25 March 2013*

Signed  
**Alexander Letts**

Date

Signed  
**Stephen Woodford**

Date

Signed  
**Nigel Medhurst**

Date

Company Number 07516554

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date

Signed  
**Alan Hughes**

Date

Signed  
**Paul Neale**

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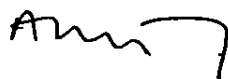
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Signed  
**Alexander Letts**



Date *25 March 2013*

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Date

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**Nigel Medhurst**



Date *25 March 2013*

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**Alexander Letts**

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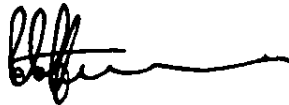
*25 March 2013*

Signed  
**Nigel Medhurst**

Date

Company Number 07516554

Signed  
**Peter Simpson**



Date 25 March 2013

Signed  
**Chris Procter**

Date

Signed  
**Doug Bonnar**

Date

Signed  
**Alan Hughes**

Date

Signed  
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Company Number 07516554

Signed  
**Peter Simpson**

Date

Signed  
**Chris Procter**



Date

8/03/13

Signed  
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*Aux/1002*

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES

**Frees Family Finance Limited**  
Company No 07516554

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## ARTICLES OF ASSOCIATION

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Adopted by Special Resolution of the Company dated *25 March* 2013

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**Frees Family Finance Limited**

Company No. 07516554

**ARTICLES OF ASSOCIATION**

**INTERPRETATION**

- 1 In these Articles
- 1 1 "the Act" means the Companies Act 2006 ("CA 2006") as amended from time to time,
- 1 2 "Adoption Date" means the date of adoption of these Articles,
- 1 3 reference to an "Article" shall mean a reference to the specified numbered paragraph of these Articles,
- 1 4 "Allocation Notice" has the meaning defined in Article 32 10,
- 1 5 "Appropriate Rate" means 8%,
- 1 6 "A Preference Shares" means the redeemable "A" preference shares of £1 00 each in issue from time to time in the capital of the Company,
- 1 7 "Auditors" means the auditors of the Company for the time being or if such auditors are unable or unwilling to act in connection with the matter in question, a suitably qualified independent professional valuer agreed between the Company and the Funds or in default of agreement such firm of independent chartered accountants appointed on the application of the Company or the Funds by the President for the time being of the Institute of Chartered Accountants in England and Wales,
- 1 8 "B Preference Shares" means the redeemable "B" preference shares of £1 00 each in issue from time to time in the capital of the Company,
- 1 9 "Buyer" has the meaning defined in Article 34,
- 1 10 "clear days" means in relation to a period of a notice the number of days excluding the day when the notice is given and the day on which it is to take effect,
- 1 11 "control" (for the purposes of Articles 22, 32 1, 32 2 and 32 3 only) has the meaning defined by section 1124 of the Corporation Tax Act 2010,
- 1 12 "Date of Termination" in relation to a given holder of Ordinary Shares means the earlier of
- 1 12 1 where the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder terminates by virtue of a notice given by the employer to that holder (or vice-versa), the date on which such notice expires,

- 1 12 2 where the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder is terminated by the employer or that holder and a payment is made to the employee in lieu of notice, the date on which such employment was terminated,
- 1 12 3 where the holder is an officer or consultant or otherwise engaged (other than as an employee) by the Company or any of its Subsidiary Undertakings, the date on which such office, consultancy, engagement or contract for services relating to the same is terminated,
- 1 12 4 the date on which the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder is terminated,
- 1 12 5 the date on which that holder is deemed to have given a Transfer Notice in accordance with Articles 32, 32 1, 32 2, 32 3, or 32 4, or
- 1 12 6 in respect of an SFIA Shareholder, the date on which either (i) such shareholder ceases to be an officer, employee, consultant of SFIA or be otherwise engaged by SFIA, or (ii) the date on which the SFIA Agreement is terminated (whichever is the earlier),
- 1 13 "Eligible Director" means a director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the directors,
- 1 14 "Extended Redemption Date" means
- 1 14 1 in relation to the A Preference Shares, each quarter end date following 30 June 2015, and
- 1 14 2 in relation to the B Preference Shares, each quarter end date following 30 June 2016,
- 1 15 "Facilities" means the Company's banking facilities from time to time,
- 1 16 "Financial Year" means a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,
- 1 17 "Flotation" means the admission of all or any part of the share capital of the Company or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on Nasdaq or the Official List of the UK Listing Authority or the Alternative Investment Market operated by the London Stock Exchange plc or on any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),
- 1 18 "Funds" means each of Finance Yorkshire Seedcorn LP and Finance Yorkshire Equity LP and anyone to whom they may transfer any shares, their respective successors in title or such person as they may otherwise notify the Company of in writing,
- 1 19 "the holder" means the member whose name is entered in the Register of Members as the holder of the shares,
- 1 20 "Intending Transferor" has the meaning defined in Article 32 5,
- 1 21 "Interested Director" has the meaning defined in Article 73,
- 1 22 "Investor Director" means a director appointed by the Funds under Article 51,

- 1 23 "Lead Investor" means the Funds for so long as they own over 7% of the equity share capital of the Company,
- 1 24 "Majority Shareholders" has the meaning defined in Article 34,
- 1 25 "Management Shareholders" means any holder of shares, other than a Fund, who is, or is connected to a person who is, a director, employee or consultant to the Company and includes the following people Alex Letts, Stephen Woodford, Nigel Medhurst and Peter Simpson,
- 1 26 "Minority Shareholders" has the meaning defined in Article 34,
- 1 27 "Model Articles" has the meaning defined in Article 2,
- 1 28 "Nasdaq" means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc ,
- 1 29 "Observer" has the meaning defined in Article 52,
- 1 30 "Offer" has the meaning defined in Article 34 1,
- 1 31 "Ordinary Shares" means the ordinary shares of £0.01 each in issue from time to time in the capital of the Company,
- 1 32 "Parent Undertaking" has the meaning set out in section 1162 of the Act,
- 1 33 "Preference Dividend" has the meaning defined in Article 10 1,
- 1 34 "Preference Shares" means the A Preference Shares and the B Preference Shares,
- 1 35 "Prescribed Price" has the meaning defined in Article 34 3,
- 1 36 "Primary Holder" has the meaning defined in Article 82.9,
- 1 37 "Redemption Dates" means
- 1 37 1 in relation to the A Preference Shares, 30 September 2014, 31 December 2014, 31 March 2015 and 30 June 2015, and
- 1 37 2 in relation to the B Preference Shares, 30 September 2015, 31 December 2015, 31 March 2016 and 30 June 2016,
- 1 38 "Relevant Interest" has the meaning defined in Article 73,
- 1 39 "Sale Price" has the meaning defined in Article 32 7,
- 1 40 "said Shares" has the meaning defined in Article 32 7,
- 1 41 "Sale" means either -
- 1 41 1 the making of an offer to purchase all of the shares which is accepted and would result in or will result in the offeror holding more than 50% of the Ordinary Shares, or
- 1 41 2 the entering into of one or more agreements which will result in any person acquiring more than 50% of the Ordinary Shares,
- 1 42 "secretary" means the secretary of the Company including a joint, assistant or deputy secretary,
- 1 43 "SFIA" means SFIA Ltd (Company number 3996410),
- 1 44 "SFIA Agreement" means the Introduction and Cooperation Agreement made between the Company and SFIA dated 8 August 2012,



- 1 45 "SFIA Shareholders" means any holder of shares, other than a Fund, who is, or is connected to a  
person who is, a director, employee or consultant to SFIA and includes the following people Chris  
Procter and Doug Bonnar,
- 1 46 "Subsidiary Undertaking" has the meaning set out in section 1159 of the Act,
- 1 47 "Surplus" has the meaning defined in Article 14,
- 1 48 "Tag Free Fund Transfer" means any transfer by a Fund (or a successor in title to a Fund) where
- (a) the transfer is to a person who is a member of the BVCA or (where a fund) is managed by  
a person who is a member of the BVCA,
  - (b) the transfer occurs at the same time and to the same purchaser as a transfer of one or  
more of the Fund's interests in shares in a company other than the Company, or
  - (c) the transfer occurs to a person who has, or who is controlled by a body with, objects  
broadly similar to those of Finance Yorkshire Limited,
- 1 49 "Total Transfer Condition" has the meaning defined in Article 32 5,
- 1 50 "Transfer Forms" has the meaning defined in Article 32 10,
- 1 51 "Transfer Notice" has the meaning defined in Article 32 5

2 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to  
the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of  
adoption of these articles (the "Model Articles") shall apply to the Company, save insofar as they are  
varied or excluded by, or are inconsistent with, the following Articles

3 NOT USED

4 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to  
include a reference to each and every statutory amendment, modification, re-enactment and extension  
thereof for the time being in force

5 In these Articles

5 1 article headings are used for convenience only and shall not affect the construction or interpretation of  
these Articles,

5 2 words denoting the singular include the plural and vice versa and reference to one gender includes  
the other gender and neuter and vice versa, and

5 3 Articles 8(2), 9(1), 9(4), 10(3), 11(2), 12, 13, 14, 17(2), 17(3), 19, 21, 25, 26, 27, 28, 29, 30(5) to (7)  
(inclusive), 37(4), 37(5), 38, 44(2), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the  
Company

5 4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"

6 The operation and interpretation of these Articles is subject to the Act and unless otherwise defined in these Articles or unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Act

## **SHARE CAPITAL AND RIGHTS**

7 NOT USED

### **Issue of Shares**

8 Subject to Article 9, the directors are authorised under Section 551 of the Act to use the powers of the Company to offer, allot, agree to allot, grant any right to subscribe for or to convert any security into, and otherwise dispose of any of the unissued shares of the Company to anyone (including directors) at such times and on such terms and conditions as they think proper

9 The authority contained in Article 8

9 1 shall expire on 12 April 2013 except that any obligation or contingent obligation assumed or incurred during that period may be performed or fulfilled after the expiry of such period,

9 2 shall be limited to a maximum nominal amount of £278 58 of Ordinary Shares and £630,667 of B Preference Shares which for the avoidance of doubt shall be in addition to the existing shares which are in issue in the capital of the Company as at the date that these articles are adopted,

9 3 may be varied, revoked or renewed by a resolution of the Company in accordance with the provisions of the Act but subject to any direction given by the Funds,

9 4 is subject to the terms on which any shares are or have been created or issued, and

9 5 is in substitution for and replaces any similar or related authority granted pursuant to Section 551 of the Act prior to the date of the resolution adopting these Articles

### **Income**

10 The profits of the Company in respect of each Financial Year shall be distributed as follows

10 1 firstly, in paying to the holders of the Preference Shares a fixed cumulative dividend of the Appropriate Rate per annum of the nominal value of such shares (the "Preference Dividend") accruing daily from the date of subscription for such shares and payable in cash quarterly in arrears on demand after

10 1 1 in respect of the A Preference Shares, 30 June 2014, and

10 1 2 in respect of the B Preference Shares, 30 June 2015,

or, if earlier, on redemption of the relevant Preference Shares whether demanded or not, and

- 10 2 secondly, amongst each of the holders of Ordinary Shares as authorised by ordinary resolution of the Company SAVE THAT for so long as the Funds are a Lead Investor no dividends shall be declared and no such distributions shall be made without the written consent of the Funds
- 10 3 The Preference Dividend (notwithstanding any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) shall be paid immediately on the due date and if not then paid shall be a debt due from and immediately payable by the Company whether demanded or not
- 11 The Company shall ensure that each of its Subsidiary Undertakings which has profits available for distribution shall declare and pay to the Company such dividends as are necessary to permit the lawful and prompt payment of any dividends due under Article 10
- 12 Article 30(2) and Article 32 of the Model Articles shall not apply to the Preference Dividend
- 13 Article 31(1) of the Model Articles shall be amended by
- 13 1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing", and
- 13 2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing"

### **Capital**

- 14 On a return of assets on liquidation or otherwise (except on a redemption of shares of any class or the purchase by the Company of its own shares) the assets of the Company remaining after the payment of its liabilities ("the Surplus") shall be distributed as follows
- 14 1 firstly, in paying to each of the holders of the Preference Shares (par passu as if the same constituted one class of share) the amount determined in accordance with Article 17 in respect of such shares held by them,
- 14 2 secondly, in paying to the holders of the Ordinary Shares the amounts paid up or credited as paid up (including any premium) on such shares held by them (and pro-rata according to such amounts),
- 14 3 and then the remaining amount of the Surplus (if any) shall be paid to the holders of the Ordinary Shares in proportion to the number of such shares held by them,
- 14 4 The Preference Shares shall be redeemed on a Sale or Flotation at the amount determined in accordance with Article 17 and the provisions of Articles 15 1 and 15 2 shall apply
- For the avoidance of doubt no amounts other than those provided for in this Article 14 shall be payable or distributed to the holders of the Preference Shares on a return of assets or liquidation or on a Sale or Flotation

- 15 Subject to the provisions of the Act, the Company may at any time redeem the whole or any part of the Preference Shares then outstanding at an amount per share determined in accordance with Article 17 by serving notice of such redemption upon the holders of the Preference Shares specifying a date upon which redemption is to take place (PROVIDED THAT in the event of a part redemption the Company may redeem only in multiples of 10,000 of the same class of Preference Shares or the balance of that class outstanding if less) and the following provisions shall apply
- 15 1 Each registered holder of Preference Shares shall surrender to the Company on or before the date set for redemption the certificate (or, in the event of any holder having lost his certificate, an indemnity in respect thereof in a form reasonably acceptable to the Company) for his Preference Shares which are to be redeemed in order that they may be cancelled, and upon such cancellation the Company shall pay to such holder the amount payable in respect of such redemption provided that if any certificate so surrendered includes any Preference Shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the Preference Shares not redeemable to the holder
- 15 2 If there is more than one holder of a class of Preference Shares on each occasion on which such class of Preference Shares are redeemed the proportion of each such holder's total number of Preference Shares of that class to be redeemed shall be that proportion which each such holders Preference Shares of that class bears to the total number of Preference Shares of that class then in issue
- 16
- 16 1 Subject to the provisions of the Act, the holders of each class of Preference Shares shall be entitled at any time after each Redemption Date applicable to such class of Preference Share by service of a prior notice to the Company to require redemption on the date of such notice of a quarter of such class of Preference Shares in issue as at the Adoption Date (such that on the second applicable Redemption Date, half shall be redeemable, on the third, three quarters, and on the fourth all) at an amount per share determined in accordance with Article 17 and the provisions of Articles 15 1 and 15 2 shall apply to such redemption
- 16 2 If at any applicable Redemption Date the Company is prohibited from redeeming some or all of a class of Preference Shares then due to be redeemed, the Company shall redeem such number of such class of Preference Shares as it is lawfully able to redeem and the balance of such class of Preference Shares shall be redeemed on the next falling applicable Redemption Date for such class of Preference Shares or, if after the fourth Redemption Date for any class of Preference Shares, the next Extended Redemption Date for such class of Preference Shares and the redemption of such class of Preference Shares shall be deemed to be of those Preference Shares within such class that

first become due for redemption. The provisions of Articles 15.1 and 15.2 shall apply to such redemption.

- 17 The amount per share payable on a redemption of any class of Preference Shares shall be £1 together with a sum equal to any arrears deficiency or accruals of the Preference Dividend on such share calculated down to the date of redemption and payable whether such dividend has been declared, earned, demanded or not.
- 18 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 19 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them, and".
- 20 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

### **Voting**

- 21 Subject to Articles 22, 23, 24 and 51, each holder of Ordinary Shares shall be entitled to receive notice of and shall be entitled to attend either in person or by proxy at any general meeting of the Company and on a show of hands or on a poll shall have one vote for every such share in respect of which he is the holder.
- 22 A holder of Ordinary Shares (other than a Fund) (and any body corporate under the control (directly or indirectly) of that member (if any)) shall not be entitled to receive vote at any general meeting of the Company, following the Date of Termination up to the date of completion of any share transfer of those shares (other than in accordance with Article 31), in respect of that holder and Preference Shares shall not entitle the holders thereof at any time to vote at any general meeting of the Company.
- 23 If, at the date of any general meeting or the circulation date of any written resolution, any of the events or circumstances specified in Article 24 shall have occurred or be subsisting and provided always that the Funds are a Lead Investor, the number of voting rights attaching to the Ordinary Shares held by the Funds shall be increased to such number as is equal to 99% of the total voting rights attaching to all Ordinary Shares at any general meeting (calculated after the application of this Article 23). The enhanced voting rights attached to the Ordinary Shares held by the Funds by virtue of this Article 23

shall continue for so long as the relevant event or circumstance continues to subsist or until such matter is waived or otherwise remedied to the reasonable satisfaction or the completion of any Sale or Flotation, confirmed in writing, of the Funds

- 24 The relevant events or circumstances referred to in Article 23 are
- 24 1 any act, omission or event occurring which constitutes or may, with the passing of time or the giving of notice, constitute an event of default under any of the Facilities,
- 24 2 any breach occurring by the Company, a Director (other than the Investor Director) or any holder of Ordinary Shares (other than the Funds) of any material provision of these Articles or any investment agreement in place between the Company and its shareholders at the time of such breach,
- 24 3 the Preference Dividend is in arrears for more than 21 days from its due date for payment, (whether or not the Company is legally able to pay the same), or
- 24 4 circumstances have arisen which in the reasonable opinion of the Funds are likely to result in an event of default under the Facilities

#### **Matters requiring Funds Consent**

- 25 For so long as the Funds are a Lead Investor, the prior consent or approval in writing of the Funds shall be required in respect of any matter relating to (or the Company incurring an obligation to do) any of the following
- 25 1 the sale of the undertaking of the Company or of any of its Subsidiary Undertakings or any substantial part (including but not limited to any intellectual property owned by the Company) thereof,
- 25 2 the disposal or issue of any issued or unissued shares in the capital of the Company or any Subsidiary Undertaking of the Company save as permitted under Articles 31 and 32,
- 25 3 the calling of a meeting of the Company or any of its Subsidiary Undertakings for the purpose of considering a resolution for the winding up of the Company or any of its Subsidiary Undertakings,
- 25 4 the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company or any of its Subsidiary Undertakings to purchase any of their respective shares,
- 25 5 a change to the accounting reference period of the Company or any of its Subsidiary Undertakings,
- 25 6 any alteration of the restrictions on the powers of the directors of the Company or its Subsidiary Undertakings to borrow, give guarantees or create charges,
- 25 7 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company or of any of its Subsidiary Undertakings,
- 25 8 any material alteration (including cessation) to the nature of the business of the Company or of any of its Subsidiary Undertakings,
- 25 9 any Flotation or any Sale becoming unconditional or completed,

- 25 10 any alteration or increase or reduction or sub-division or consolidation or redemption of the authorised or issued capital of the Company or of any of its Subsidiary Undertakings (except the redemption of the Preference Shares in accordance with these Articles) or by variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its Subsidiary Undertakings,
- 25 11 the calling of a meeting of the Company or any of its Subsidiary Undertakings for the purpose of considering or the passing of a resolution for amending the Memorandum or Articles of Association of the Company or any of its Subsidiary Undertakings (as the case may be),
- 25 12 the passing of any resolution whereby the classification or status of the Company may be changed, or
- 25 13 (without prejudice to the provisions of sections 630 and 633 of the Act) the variation of any special rights attached to any class of shares

### **Share Certificates**

- 26 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or 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
  
- 27 Every certificate shall be signed by two directors or by a director and the secretary 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 to one joint holder shall be a sufficient delivery to all of them

### **Lien, Calls on Shares and Forfeiture**

Paragraph (b) of article 57(1) of the Model Articles shall be amended by the addition of the words "and all expenses that may have been incurred by the Company by reason of such non-payment" after the word "interest" and before the word "on"

### **TRANSFER AND TRANSMISSION OF SHARES**

- 28 For so long as the Funds are a Lead Investor no shares may be transferred without the written consent of the Funds, save as permitted under Articles 31 and 32
  
- 29 The directors may dispense with the execution of the instrument of transfer by the transferee in their absolute discretion. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof

- 30 For the purposes of Articles 31 and 32, where any person is unconditionally entitled to be registered as the holder of a share and has established such entitlement to the satisfaction of the board of directors he and not the registered holder of such share shall be deemed to be a member of the Company in respect of that share and the expression "transfer" shall include the renunciation of any letter of allotment and the transfer of any beneficial or other interest in a share (not being a charge to secure money)

### **Permitted Transfers**

- 31 Article 32 shall apply to all transfers of shares save that
- 31 1 any shares held by a Fund may be transferred at any time to any person without restriction as to price or otherwise, and
- 31 2 any shares held by a natural person may be transferred to that person's spouse (provided that, if the person transferring the shares is a Management Shareholder or a SFIA Shareholder, the transferee shall always be deemed to be a connected person of the transferor regardless of any change in the transferee and transferor's relationship)

### **Pre-emption**

- 32 Except as provided in Article 31, no shares shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted If any member attempts or makes any attempt to transfer any share or shares other than in accordance with the provisions of these Articles, then that member shall be deemed to have immediately given a Transfer Notice in accordance with Article 32 5 in respect of all shares held by him

### **Dismissal / Change of Control / Insolvency**

- 32 1 If any Management Shareholder ceases to be a director or employee of or consultant to or otherwise ceases to be engaged (including the cessation of a consultancy engagement between the Company and a company in which such Management Shareholder has an interest) by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the Company) by reason of their gross misconduct, or for any other reason within 6 months of commencement of their employment or engagement then that Management Shareholder and any other Shareholder connected with him shall be deemed to have served a Transfer Notice in accordance with Article 32 5 in respect of all of the shares in the Company held by them on date of such cessation and Transfer Notices shall also be deemed to have been served on such date by the relevant parties in respect of



all shares in the Company (if any) then held by any body corporate under the control (directly or indirectly) of that member

- 32 2 If any Management Shareholder ceases to be a director or employee of or consultant to or otherwise ceases to be engaged (including the cessation of a consultancy engagement between the Company and a company in which such Management Shareholder has an interest) by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the Company) prior to 22 August 2015 and in circumstances other than those set out in Article 32 1 then he and any other Shareholder connected with him shall be deemed to have served a Transfer Notice in accordance with Article 32 5 in respect of such percentage of the shares (rounded to the nearest whole share) held by him as is determined pursuant to Articles 32 2 1 to 32 2 3 on date of such cessation and Transfer Notices shall also be deemed to have been served on such date by the relevant parties in respect of such percentage of the shares (rounded to the nearest whole share) (if any) then held by any body corporate under the control (directly or indirectly) of that member as is determined pursuant to Articles 32 2 1 to 32 2 3 The percentages shall be
- 32 2 1 45% if the cessation occurs between 22 February 2013 and 22 August 2013,
- 32 2 2 40% if the cessation occurs between 23 August 2013 and 22 August 2014, and
- 32 2 3 30% if the cessation occurs between 23 August 2014 and 22 August 2015 (unless, in the case of Peter Simpson, such cessation occurs as a result of retirement in which case the board shall determine the appropriate percentage, not to be more than 30%)
- 32 3 If a body corporate (other than the Funds) ceases to be within the control of the person(s) who controlled such body corporate on the later of the date on which it became a member and 22 August 2012, it shall be deemed to have immediately given a Transfer Notice in accordance with Article 32 5 in respect of all the shares held by it
- 32 4 If any member is adjudicated bankrupt or has a receiver, manager, administrative receiver or administrator appointed in respect of him/it or over all or any part of its undertaking or assets or enters into liquidation or suffers any analogous event due to insolvency or bankruptcy then that member shall be deemed to have immediately given a Transfer Notice in accordance with Article 32 5 in respect of all the shares in the Company held by him/it

### **Transfer Notice**

- 32 5 Every person who desires intends or is required to transfer any share or shares (other than in the circumstances referred to in Article 31) (the "Intending Transferor") shall give to the Company notice in writing or such intention (a "Transfer Notice") Every Transfer Notice shall specify the number and class of shares to be transferred A single Transfer Notice may be used in respect of one or more class or classes of share or shares Except in the case of a Transfer Notice required or deemed to be

served by Articles 32, 32 1, 32 2, 32 3 or 32 4, the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this Article 32, none shall be so sold (a "Total Transfer Condition") and any such provision shall be binding on the Company

- 32 6 Any two or more members may serve a Transfer Notice signed by each of them specifying the number of shares which each of them wishes to transfer and such notice shall for all purposes of this Article 32 take effect as if it were a single Transfer Notice and as if the Total Transfer Condition in it (if any) applies to all the shares comprised within it but the obligations of those members in respect of such notice shall be several only in proportion to the total number of shares which each holds

### **Valuation**

- 32 7 Subject as hereinafter mentioned, a Transfer Notice shall irrevocably (subject to Article 32 8) constitute the Company the agent of the Intending Transferor for the sale of the share or shares the subject thereof (the "said Shares") in one or more lots at the discretion of the directors at the price (the "Sale Price") determined as below

"Sale Price" - means

- (i) in the case of a Transfer Notice deemed to be served by Article 32 1 or Article 32 2, the lower of the aggregate subscription price of the said Shares or the fair value determined in accordance with Article 32 7 (ii),
- (ii) in all other cases, the price agreed between the Intending Transferor and the directors (within 5 clear days of the date of service of the corresponding Transfer Notice, or in default of agreement within such time, the price which the Auditors shall in writing certify to be in their opinion the fair value thereof as between a willing seller and a willing buyer on an arm's length sale as at the date of the Transfer Notice taking into account any bona fide offer from any person not being a member to purchase any of the said Shares comprised in or of the class comprised in the Transfer Notice (such value shall not be discounted by reason that the said Shares intended to be transferred are a minority holding, nor shall there be a premium for a majority holding),

If the Auditors are required to certify the fair value under this Article 32 7, the directors shall immediately give notice to the Auditors requesting such certification and in so certifying, the Auditors shall act as experts and not arbitrators and their decision shall be final and binding upon the parties

- 32 8 If the Auditors are required to certify the fair value under Article 32 7, the Company shall procure that their certificate shall be delivered to the Company as soon as practicable (and in any event within 30 clear days of instruction) and so soon as the Company receives the certificate it shall furnish a certified copy thereof to the Intending Transferor who (except in the case of a Transfer Notice required

or deemed to be served by Articles 32, 32 1, 32 2, 32 3 or 32 4, in which case the Intending Transferor shall have no right of cancellation) may by notice in writing given to the Company within 5 clear days of the service upon him of the said certified copy (as to which time shall be of the essence) cancel the Company's authority to sell the said Shares. The cost of obtaining the certificate shall be borne equally by the Company and the Intending Transferor unless the Intending Transferor shall give notice of cancellation as aforesaid in which case he shall bear the said cost. Save for the right of cancellation conferred by this paragraph, service or deemed service of a Transfer Notice shall be irrevocable.

### **Invitation to Purchase**

32 9 Upon the price being fixed as aforesaid and provided the Intending Transferor (being entitled so to do) shall not give notice of cancellation as aforesaid the Company shall forthwith by notice in writing inform

32 9 1 in the case of a Transfer Notice issued pursuant to Articles 32 1 or 32 2, the Funds of the number and price of the said Shares and invite the Funds to apply in writing to the Company within 10 clear days of the date of despatch of the Company's notice (which date shall be specified therein) for such maximum number of the said Shares (being all or any thereof) as the Funds shall state in such application to be transferred to such new intended Management Shareholder that the Funds shall nominate or, in the absence of such person, such entity as the Funds shall nominate with the intention of holding the Shares until such time as a new Management Shareholder is identified by the Funds (a "Fund Nominated Holder"), or

32 9 2 in the case of a Transfer Notice issued for any other reason, each member (other than the Intending Transferor) of the number and price of the said Shares and invite each such member to apply in writing to the Company within 10 clear days of the date of despatch of the Company's notice (which date shall be specified therein) for such maximum number of the said Shares (being all or any thereof) as he shall state in such application. Any application made by any member not entitled to receive such invitation shall be disregarded.

### **Allocation**

32 10 If any of the said members shall within the said period of 10 clear days apply for all or (except where the Transfer Notice properly provides otherwise) any of the said Shares, the Company by written notice to the applicants and the Intending Transferor (the "Allocation Notice") shall allocate the same (or so many of them as shall be applied for as aforesaid) to and amongst the applicants (and in case of competition pro-rata according to the number of Ordinary Shares in respect of which they are registered or unconditionally entitled to be registered as holders) or the Fund Nominated Holder (as appropriate) PROVIDED THAT no applicant shall be obliged to take more than the maximum number

of shares specified by him as aforesaid The Company shall together with the Allocation Notice to be given to the Intending Transferor provide completed but unsigned stock transfer forms in favour of the applicants or the Fund Nominated Holder (as appropriate) (the "Transfer Forms")

### **Transfer**

- 32 11 The Intending Transferor shall be bound to transfer the shares comprised in an Allocation Notice to the purchasers named therein against and subject to payment of the price the Company in accordance with this Article 32 11 The Intending Transferor shall return the Transfer Forms by registered post to the registered office of the Company duly signed within 5 days of the date of the Allocation Notice and if he shall fail to do so, each of the directors severally shall be deemed to have been appointed attorney and agent of the Intending Transferor with full power to execute, complete and deliver, in the name and on behalf of the Intending Transferor, transfers of the said Shares to the purchasers thereof against payment of the price to the Company On payment of the price to the Company the purchaser shall be deemed to have obtained a good receipt for such payment and on execution and delivery of the transfer the purchaser shall be entitled to insist upon his name being entered in the Register of Members as the holder by transfer of the said Shares so transferred to him and after the purchaser has been so registered the validity of such proceedings shall not be questioned by any person (except in the case of manifest error) The Company shall forthwith pay the price to the Intending Transferor or in the event the Intending Transferor refuses to accept such payment into a separate bank account in the Company's name and shall hold such price in trust for the Intending Transferor In the event any purchaser does not make payment to the Company within 10 clear days of the date of the Allocation Notice those of the said Shares allocated to him shall be reallocated amongst those of the remaining purchasers (if any) who have not previously been allocated the shares in question in accordance with Article 32 10 In the event no such purchasers remain then Article 32 12 shall apply
- 32 12 The Intending Transferor shall not be at liberty to transfer any of the said Shares to anyone other than those to whom such shares are allocated by the directors in an Allocation Notice
- 32 13 An obligation to transfer a share under the provisions of this Article 32 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance

### **Registration**

- 33 Notwithstanding the provisions of the foregoing Articles the directors may decline to register
- 33 1 any transfer of any share (including the renunciation of any letter of allotment) on which the Company has a lien,  
and further may decline to register any transfer of any share unless

- 33 2 the instrument of transfer duly executed and stamped is deposited at the office or at such other place (if any) as the directors may appoint accompanied by the certificate for the shares to which it relates (or an indemnity in respect thereof in a form reasonably acceptable to the Company) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do),
- 33 3 the instrument of transfer is in respect of only one class of share, and
- 33 4 in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four

### **Drag-along**

- 34 Subject to Article 34 4, if the Funds and such other holders of Ordinary Shares (excluding those who are prohibited from exercising their voting rights pursuant to Article 22) who have in aggregate greater than 50% in number of the Ordinary Shares ("the Majority Shareholders") wish to sell their Shares to a bona fide independent third party acting in good faith ("the Buyer") or if at any time following 22 August 2015 the Funds wish to sell their Shares to a Buyer and
- (a) the Buyer makes an offer (in accordance with Article 34 1) to all the members holding Ordinary Shares other than the Majority Shareholders or the Funds as appropriate at the relevant time (other than the Buyer if he is a member) ("the Minority Shareholders") to purchase from them for cash and/or a cash alternative payable in full on completion of any sale their entire holdings of Ordinary Shares at the Prescribed Price per share, and
- (b) the Buyer has not received (within 14 days of the making of the Offer) acceptances of the Offer from all of the Minority Shareholders,
- then on the giving of a notice by the Buyer to such non-accepting Minority Shareholders requiring them to accept the Offer, each of the non-accepting Minority Shareholders shall upon the giving of such notice be deemed to have accepted the Offer in respect of the Ordinary Shares held by him and become obliged to deliver up to the Buyer an executed transfer of such shares and the certificates in respect of the same
- 34 1 Any such offer as is referred to in Article 34 above ("Offer") must be made in writing and open for acceptance and irrevocable for a period of not less than 7 days and not more than 14 days and, in respect of each class of shares to which the Offer relates, must be on equivalent terms to the offers or agreements to purchase made by the Buyer to or with the Majority Shareholders or the Funds as appropriate in respect of shares of that same class, SAVE THAT, if the Buyer so wishes, the Offer may contain a condition that acceptance must be received for a specified percentage of all the shares in respect of which the Offer is made

- 34 2 If any such non-accepting Minority Shareholder as is referred to in Article 34 above shall not, within 7 days of becoming required to do so, execute a transfer in respect of the shares held by such member, then the directors shall authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such member) of the purchase monies payable for the relevant shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person (except in the case of manifest error)
- 34 3 For the purposes of this Article 34, "Prescribed Price" shall mean a price per share equal to the full cash equivalent of the highest price which, at the time of the making the relevant Offer, the Buyer has agreed to pay or is prepared to offer to pay any members per share in respect of the same class of shares, taking into account any other consideration (for cash or otherwise) received or receivable by any such member which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable
- 34 4 All other regulations of the Company in these Articles relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 34, but this Article 34 shall only apply for so long as the Funds are a Lead Investor

### **Tag Along Rights on a Change of Control**

- 35 1 Except in the case of
- 35 1 1 transfers pursuant to articles 32 1 to 32 4, and
- 35 1 2 any Tag Free Fund Transfer,
- and after going through the pre-emption procedure set out in articles 32 5 to 32 13, the provisions of articles 35 2 to 35 6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Substantial Interest in the Company
- 35 2 Before making a Proposed Transfer, a Shareholder shall procure that the Buyer makes an offer (**Offer**) to
- 35 2 1 the other Shareholders to purchase all of the Shares held by them,
- 35 2 2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and

- 35 2 3 the holders of any securities of the Company that are convertible into Shares (Convertible Securities), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer
- for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the three months preceding the date of the Proposed Transfer (Specified Price)
- 35 3 The Offer shall be given by written notice (**Offer Notice**), at least seven Business Days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- 35 3 1 the identity of the Buyer,
- 35 3 2 the purchase price and other terms and conditions of payment,
- 35 3 3 the Sale Date, and
- 35 3 4 the number of Shares proposed to be purchased by the Buyer (Offer Shares)
- 35 4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 35 2 and article 35 3, the Shareholder wishing to make the Proposed Transfer shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 35 5 If the Offer is accepted by any Shareholder (Accepting Shareholder) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 35 6 The Proposed Transfer is subject to the pre-emption provisions in these articles, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions

## **DEFINITIONS**

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)

**Substantial Interest** means an interest in shares giving to the holder or holders, when taken with interests in shares held by connected persons of such holder or holders, the ability to exercise 20% or more of the votes in the share capital of the Company

## **GENERAL MEETINGS AND RESOLUTIONS**

- 36 Every notice convening a general meeting shall comply with the provisions of section 324 of the Act as to giving information to members in regard to their right to appoint proxies Notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the Auditors

- 37 The directors shall procure that the accounts of the Company in respect of any Financial Year are audited and laid before the Company in an annual general meeting to be held not later than three months after the end of the Financial Year to which they relate
- 38 No business shall be transacted at any meeting unless a quorum is present A quorum shall consist of two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a member corporation, PROVIDED THAT so long as the Funds are a Lead Investor one such person shall be the Funds or a proxy or a duly authorised representative of the Funds
- 39 A resolution put to the vote of a 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 A poll may be demanded
- 39 1 by the chairman, or
- 39 2 by one or more members having the right to vote at the meeting,  
and a demand by a person as proxy for a member shall be the same as a demand by the member
- 40 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 41 Polls must be taken in such manner as the chairman directs A poll demanded on the election of a chairman or on a question of adjournment must be held immediately A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 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
- 42 No notice need be given of a poll not held immediately if the time and place at which it is to be 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
- 43 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll In calculating that period, no account shall be taken of any part of a day that is not a working day



- 44 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"
- 45 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may
- 45 1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the board of directors may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
- 45 2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any director, or
- 45 3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any director, or at the time and place at which the poll is held to the chairman or to the company secretary or to any director or scrutineer, and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid
- 46 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have
- 47 A resolution in writing passed in accordance with the provisions of the Act, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative
- 48 Any member or member's proxy or duly authorised representative (being a body corporate) may participate in a general meeting or a meeting of a class of members by means of a conference telephone or similar communications system (including an audio-visual communication or video-conference system) whereby all of those participating in the meeting can hear and address each

other Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum A meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled In the absence of such majority, the location of the chairman shall be deemed to be the place of the meeting

- 49 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, 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 representative not being himself a member, shall have one vote for every fully paid share in the capital of the Company of which he is the holder, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every fully paid share in the capital of the Company of which he is the holder

## **DIRECTORS**

- 50 Unless and until the Company in general meeting shall otherwise determine the number of directors shall not be less than three or more than five The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director No director of the Company shall be required to hold any share qualification
- 51 In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as the Funds are a Lead Investor, the Funds shall be entitled to appoint two directors to the board of directors of the Company and appoint one of such directors as chairman and have the rights of removal and reappointment of such directors and shall be deemed to have sufficient votes to carry or defeat any resolution relating thereto Article 12 of the Model Articles shall be modified accordingly
- 52 The Funds shall each be entitled from time to time to appoint any person (an "Observer") to attend meetings of the directors Observers shall be entitled to speak at such meetings and to require that business be placed upon the agenda for any such meeting but shall not in any circumstances be entitled to vote
- 53 Article 7 of the Model Articles shall be amended by
- 53 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 53 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"

### **Alternate Directors**

- 54 Each director shall have power by notice in writing under his hand (which shall take effect on the service thereof at the registered office of the Company) to nominate
- 54 1 any other director; or
- 54 2 any person approved for that purpose by the directors (such approval not to be unreasonably withheld or delayed),
- to act as his alternate, and at his discretion to remove such alternate director
- 55 An alternate director shall be for all purposes counted as a director of the Company and shall while so acting be entitled to
- 55 1 receive notices of all meetings of directors and of all meetings of committees of directors of which the director appointing him is a member (although it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom), and
- 55 2 exercise and discharge all the functions, powers and duties of the director whom he represents (except as regards remuneration and the power to appoint an alternate)
- 56 Any director acting as alternate shall have an additional vote for each director for whom he acts as alternate but shall not be considered as two directors for the purpose of making a quorum of directors
- 57 An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director or on the happening of any event which if the alternate were a director would cause him to vacate such office
- 58 An alternate director shall during his appointment be an officer of the Company and save as otherwise provided in these Articles shall alone be responsible for his own acts and defaults and shall not be deemed to be an agent of the director appointing him
- 59 An appointment of an alternate shall not prejudice the right of the director appointing him to receive notice of and to attend and vote at meetings of the board of directors

### **Powers of Directors**

- 60 The directors may exercise all the powers of the Company (whether express or implied)
- 60 1 of borrowing or raising or securing the payment of money,
- 60 2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and

60 3 of mortgaging or charging the property, undertaking, assets and uncalled capital of the Company and of issuing debentures

### **Disqualification and Removal**

61 In addition to that provided in article 18 of the Model Articles, the office of a director shall also be vacated if

62 he is convicted of a criminal offence (other than a minor motoring offence) and the directors resolve that his office be vacated,

62 1 (other than in the case of an Investor Director) he absents himself from attendance at two consecutive meetings of directors without special leave of absence from the board of directors (such leave not to be unreasonably refused) and they pass a resolution that he has by reason of such absence vacated office

### **Proceedings**

63 Subject to the other provisions of these 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. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Notice of a meeting of directors need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

64 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a casting vote in addition to any other vote he may have.

65 The quorum for the transaction of the business of the directors shall be two, PROVIDED THAT one such person shall be an Investor Director if any have been appointed. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

66 Subject to the other provisions of these Articles, the directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

67 A resolution in writing signed or approved by letter or facsimile or confirmed by exchange of electronic mail by all the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of directors shall be as valid and as effective as a resolution passed at a meeting of the directors (or as the case may be) a committee of directors duly convened and held and may consist of several documents in the same terms, each signed or approved by one or more of the directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

68 Any director or its duly authorised representative (being a body corporate) may participate in a meeting of the directors or a committee of the directors by means of a conference telephone or similar communications system (including an audio-visual communication or video-conference system) whereby all of those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such majority, the location of the chairman shall be deemed to be the place of the meeting. Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

### **DIRECTORS' INTERESTS**

69 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the directors in accordance with the provisions of these Articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

69.1 where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,

69.2 where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,

69.3 where a director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,

- 69 4 where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- 69 5 where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- 69 6 where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- 69 7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- 69 8 any other interest authorised by ordinary resolution
- 70 In addition to the provisions of Article 69, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a earned interest, remuneration or incentive arrangements or the holding of securities) in
- 70 1 the manager of a Fund,
- 70 2 any of the funds advised or managed by an manager of a Fund from time to time, or
- 70 3 another body corporate or firm in which a the manager of a Fund or any fund advised by such manager of a Fund has directly or indirectly invested, including without limitation any portfolio companies
- 71 For the purposes of Article 69 to Article 80 (inclusive), an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his
- 72 In any situation permitted by Article 69 to Article 80 (inclusive, (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

- 73 Subject to Article 74, any authority given in accordance with section 175(5)(a) of the Act in respect of a director ("Interested Director") who has proposed that the directors authorise his interest ("Relevant Interest") pursuant to that section may, for the avoidance of doubt
- 73 1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation
- 73 1 1 restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest,
- 73 1 2 restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed, or
- 73 1 3 restricting the application of the provisions in Article 75 and 76, so far as is permitted by law, in respect of such Interested Director,
- 73 2 be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time, and
- Article 69 to Article 80 (inclusive) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 175(5)(a) of the Act and Article 69 to Article 80 (inclusive)
- 74 Notwithstanding the other provisions of Article 69 to Article 80 (inclusive), it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 76
- 75 Subject to Article 76 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under Article 69 to Article 80 (inclusive), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- 75 1 1 to disclose such information to the Company or to any director, or to any officer or employee of the Company, or
- 75 1 2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director

- 76 Where such duty of confidentiality arises out of a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 75 shall apply only if the conflict arises out of a matter which falls within Article 69 or Article 70 or has been authorised under section 175(5)(a) of the Act
- 77 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation
- 77 1 absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered, and
- 77 2 excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information
- 78 Subject to section 182 of the Act, a director shall declare the nature and extent of any interest permitted by Article 69 or Article 70 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest
- 78 1 falling under Article 69 7,
- 78 2 if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
- 78 3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these Articles
- 79 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Article 69 to Article 80 (inclusive)
- 80 For the purposes of Article 69 to Article 80 (inclusive)
- 80 1 a conflict of interest includes a conflict of interest and duty and a conflict of duties,



- 80 2 the provisions of section 252 of the Act shall determine whether a person is connected with a director;  
80 3 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified

## **SECRETARY AND MINUTES**

- 81 Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

## **NOTICES**

- 82 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied
- 82 1 1 in hard copy form,  
82 1 2 in electronic form, or  
82 1 3 (by the Company) by means of a website (other than notices calling a meeting of directors), or partly by one of these means and partly by another of these means
- 82 2 Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 82
- 82 3 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)
- 82 3 1 to the Company or any other company at its registered office, or  
82 3 2 to the address notified to or by the Company for that purpose, or  
82 3 3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or  
82 3 4 in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors, or  
82 3 5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or

- 82 3 6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in Article 82 3 1 to Article 82 3 5 (inclusive) above, to the intended recipient's last address known to the Company
- 82 4 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective
- 82 4 1 if delivered, at the time of delivery,
- 82 4 2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first
- 82 5 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may
- 82 5 1 if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- 82 5 2 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 82 1 3, or
- 82 5 3 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
- (a) on its website from time to time, or
- (b) by notice (in hard copy or electronic form) to all members of the Company from time to time
- 82 6 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective
- 82 6 1 if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- 82 6 2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- 82 6 3 if delivered in an electronic form, at the time of delivery, and
- 82 6 4 if sent by any other electronic means as referred to in Article 82 5, at the time such delivery is deemed to occur under the Act
- 82 7 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the

intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

- 82 8 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website
- 82 9 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 of the Company in respect of the joint holding (the "Primary Holder") Notice so given shall constitute notice to all the joint holders
- 82 10 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

## **WINDING UP**

- 83 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution of the Company, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members The liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability The liquidator may make any provision or arrangement sanctioned by the Court

## **INDEMNITIES AND INSURANCE**

- 84 Subject to the provisions of and so far as may be permitted by, the Act
- 84 1 every director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers

or office, provided that no director of the Company or any associated company is indemnified by the Company against

84 1 1 any liability incurred by the director to the Company or any associated company, or

84 1 2 any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or

84 1 3 any liability incurred by the director

(a) in defending any criminal proceedings in which he is convicted,

(b) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or

(c) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 33 1(a)(i), 33 1(a)(iii)(B) and 33 1(a)(iii)(C) applying,

84 2 the directors may exercise all the powers of the Company to purchase and maintain insurance for any such director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

85 The Company shall (at the cost of the Company) effect and maintain for each director policies of insurance insuring each director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

## SCHEDULE 1

Regulation 2

# MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

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

- “articles” means the company’s articles of association,
- “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
- “chairman” has the meaning given in article 12;
- “chairman of the meeting” has the meaning given in article 39,
- “Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
- “director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
- “distribution recipient” has the meaning given in article 31,
- “document” includes, unless otherwise specified, any document sent or supplied in electronic form,
- “electronic form” has the meaning given in section 1168 of the Companies Act 2006;
- “fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,
- “hard copy form” has the meaning given in section 1168 of the Companies Act 2006,
- “holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
- “instrument” means a document in hard copy form,
- “ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,
- “paid” means paid or credited as paid,
- “participate”, in relation to a directors’ meeting, has the meaning given in article 10;
- “proxy notice” has the meaning given in article 45,
- “shareholder” means a person who is the holder of a share;
- “shares” means shares in the company,
- “special resolution” has the meaning given in section 283 of the Companies Act 2006,
- “subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
- “transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and
- “writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

#### **Liability of members**

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

**PART 2**  
**DIRECTORS**  
**DIRECTORS' POWERS AND RESPONSIBILITIES**

**Directors' general authority**

**3.** Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

**Shareholders' reserve power**

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

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

**Directors may delegate**

**5.—**(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee,
- (b) by such means (including by power of attorney);
- (c) to such an extent,
- (d) in relation to such matters or territories, and
- (e) on such terms and conditions,

as they think fit

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

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

**Committees**

**6.—**(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them



## DECISION-MAKING BY DIRECTORS

### **Directors to take decisions collectively**

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **Unanimous decisions**

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

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

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

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

### **Calling a directors' meeting**

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

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time,

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

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

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

### **Participation in directors' meetings**

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

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

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

### **Quorum for directors' meetings**

**11.—**(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors

### **Chairing of directors' meetings**

**12.—**(1) The directors may appoint a director to chair their meetings

(2) The person so appointed for the time being is known as the chairman

(3) The directors may terminate the chairman's appointment at any time

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

### **Casting vote**

**13.—**(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

### **Conflicts of interest**

**14.—**(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

(c) the director's conflict of interest arises from a permitted cause.

- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

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

#### **Directors' discretion to make further rules**

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

### **APPOINTMENT OF DIRECTORS**

#### **Methods of appointing directors**

- 17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- (a) by ordinary resolution, or
  - (b) by a decision of the directors
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

### **Termination of director's appointment**

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

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**

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

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company

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

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

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

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

### **Directors' expenses**

**20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

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

**PART 3**  
**SHARES AND DISTRIBUTIONS**  
**SHARES**

**All shares to be fully paid up**

**21.**—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue

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

**Powers to issue different classes of share**

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

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

**Company not bound by less than absolute interests**

**23.** Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

**Share certificates**

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

(2) Every certificate must specify—

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

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

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

(5) Certificates must—

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

**Replacement share certificates**

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

- (a) damaged or defaced, or

- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **Share transfers**

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

### **Transmission of shares**

- 27.—**(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
    - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
    - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
  - (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

### **Exercise of transmittees' rights**

- 28.—**(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
  - (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmittees bound by prior notices**

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

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

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors

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

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

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

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

### **Payment of dividends and other distributions**

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

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

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

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

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

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share, or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members, or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or

otherwise by operation of law, the transmittee

### **No interest on distributions**

**32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

### **Unclaimed distributions**

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

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

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

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

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

### **Non-cash distributions**

**34.—**(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

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

### **Waiver of distributions**

**35.** Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share



## CAPITALISATION OF PROFITS

### Authority to capitalise and appropriation of capitalised sums

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

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

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

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them

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

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

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

#### ORGANISATION OF GENERAL MEETINGS

#### Attendance and speaking at general meetings

**37.—**(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

### **Quorum for general meetings**

**38.** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **Chairing general meetings**

- 39.—**(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
  - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- (3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”

### **Attendance and speaking by directors and non-shareholders**

- 40.—**(1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
  - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting

### **Adjournment**

- 41.—**(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must—
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **Voting: general**

**42.** A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **Errors and disputes**

- 43.—**(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **Poll votes**

- 44.—**(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting,
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal.

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

### **Content of proxy notices**

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

- (a) states the name and address of the shareholder appointing the proxy;
  - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

### **Delivery of proxy notices**

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

### **Amendments to resolutions**

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

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of communication to be used**

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

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### **Company seals**

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

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

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

#### **No right to inspect accounts and other records**

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

## **Provision for employees on cessation of business**

**51.** The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

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

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

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

### **Insurance**

**53.—**(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.