

Company number 08185244

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

LSC FINANCE LTD (Company)

Date: 26 March 2018 (Circulation Date)

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that:

- Resolution 1 below is passed as an ordinary resolution (**Ordinary Resolution**); and
- Resolution 2 below is passed as a special resolution (**Special Resolution**).

#### ORDINARY RESOLUTION

1. THAT:

- the 10,000 Ordinary Shares of £0.01 each in the Company be redesignated as A Ordinary Shares; and
- the 527 Class A Ordinary Shares of £0.01 each in the Company be redesignated as A Ordinary Shares.

#### SPECIAL RESOLUTION

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

#### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Ordinary Resolution and Special Resolution.

The undersigned, a person entitled to vote on the above resolutions on the Circulation Date, hereby irrevocably agree to the Ordinary Resolution and Special Resolution:



Signed by **SHAUN MORLEY**

Date

26/03/2018

Signed by **RUMER MORLEY**

Date

26/03/2018

Signed by **ASHLEY MORLEY-DOIDGE**

Date

26/03/2018

#### NOTES

1. You can choose to agree to both the Ordinary Resolution and Special Resolution or neither of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

- **By hand:** delivering the signed copy to Messrs Woodcocks Haworth & Nuttall, 12/ 14 Manchester Road, Bury BL9 0DX for the attention of Paul Matthews.
- **Post:** returning the signed copy by post to Messrs Woodcocks Haworth & Nuttall, 12/ 14 Manchester Road, Bury BL9 0DX for the attention of Paul Matthews.
- **Fax:** faxing the signed copy to 0161 797 1238 marked "For the attention of Paul Matthews".
- **Email:** by attaching a scanned copy of the signed document to an email and sending it to [paul.matthews@whnsolicitors.co.uk](mailto:paul.matthews@whnsolicitors.co.uk). Please type "Written resolutions dated January 2018" in the email subject box.

If you do not agree to all of the resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the resolutions, you may not revoke your agreement.

3. Unless by the date 28 days after the Circulation Date, sufficient agreement is received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
LSC FINANCE LTD**

Adopted 26<sup>th</sup> March 2018

**PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Defined terms**

- (1) The regulations contained in the Model Articles for Private Companies Limited by Shares set out in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 3229/ 2008), shall not apply to the company.

- (2) In the articles, unless the context requires otherwise—

**“the 2006 Act “** means the Companies Act 2006;

**“Articles”** means the company's articles of association;

**“A Shares”** means the A ordinary shares of £0.01 in the capital of the company from time to time;

**“Bad Leaver”** means a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver.

**“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;

**“B Shares”** means the B ordinary shares of £0.01 in the capital of the company from time to time;

**“Business Day”** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

**“chairman”** has the meaning given in Article 12;

**“chairman of the meeting”** has the meaning given in Article 46;

**“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;

**“Contingent or Deferred Consideration”** means any consideration (whether in cash or otherwise), the payment of which is deferred or contingent on the satisfaction of some condition (other than a condition relating solely to the effluxion of time) which is to be satisfied after the date of completion of the Sale;

**“Deemed Transfer Notice”**: a Transfer Notice that is deemed to have been served under any provision of these Articles;

**“Departing Employee Shareholder”** means an Employee Shareholder who ceases to be any of a director or employee or consultant of the Company (other than by reason of death);

**“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 38;

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

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

**“Employee Shareholder”** means a holder of shares in the company who is not an Original Shareholder but is, or has been, a director and/or an employee of the company;

**“Fair Value”** in relation to shares, as determined in accordance with Article 31;

**“First Offer Shareholders”** means in respect of an offer of:

- (a) A Shares, other holders of A Shares (if any); and
- (b) B Shares, other holders of B Shares (if any)

in each case excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice;

**“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;

**“Good Leaver”** means an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

- (a) retirement (which shall mean permanently ceasing be employed, engaged or interested in any business similar to or competing in any way with the business of the Company), permanent disability or permanent incapacity through ill-health; or
- (b) redundancy (as defined in the Employment Rights Act 1996); or
- (c) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful, unfair or constructive.

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

**“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;

**“Non Cash Consideration”** means any consideration payable otherwise than in cash (including any shares or loan notes issued on a Sale but excluding any Contingent or Deferred Consideration);

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

**“Original Shareholders”** means Shaun Morley, Rumer Morley and Ashley Morley;

**“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 52;

**“Sale”** means the completion of the sale of the entire issued share capital of the company (whether by one transaction or by a series of related transactions) other than as a result of an intra-group reorganisation;

**“Second Offer Shareholders”** means in respect of an offer of:

- (a) A Shares, the holders of B Shares (if any); and
- (b) B Shares, the holders of A Shares (if any)

in each case excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice;

**“Seller”** has the meaning given in Article 29(1);

**“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 2006 Act;

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

**“Transfer Notice”** has the meaning given in Article 29(1);

**“transmittee”** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**“Valuers”** means an independent firm of accountants jointly appointed by the company and the Seller or, in the absence of agreement between the company and the Seller on the identity of the expert within 10 Business Days of either the company or the Seller proposing an independent firm of accountants for this purpose, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); 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 2006 Act as in force on the date when these Articles become binding on the company.

## **2 Liability of shareholders**

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

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## **3 Directors' general authority**

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.

## **4 Shareholders' reserve power**

- (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.

## **5 Directors may delegate**

- (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.

## **6 Committees**

- (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 these 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 these Articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

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



- (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 these Articles requires it to have more than one director,the general rule does not apply, and the director may, subject to Article 8(3) and Article 16, take decisions without regard to any of the provisions of these Articles relating to directors' decision-making.

## **8 Unanimous decisions**

- (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.

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

- (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.

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

- (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.

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

- (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, unless there is just a sole director in office, 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.

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

- (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.

### **13 Casting vote**

The chairman or other director chairing the meeting shall not, if the numbers of votes for and against a proposal are equal, have a second or casting vote.

### **14 Conflicts of interest**

- (1) The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- (2) Any authorisation under this Article 14 will be effective only if:
  - (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- (3) Any authorisation of a Conflict under this Article 14 may (whether at the time of giving the authorisation or subsequently):
  - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- (4) Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- (5) The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- (6) A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- (7) *Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the company shall declare the nature and extent of his interest to the other directors before the company enters into the transaction or arrangement in accordance with the Act.*
- (8) *Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in*

accordance with the Act, unless the interest has already been declared under Article 14(7).

- (9) Subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 14(3), and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the company, or in which the company is otherwise (directly or indirectly) interested;
  - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
  - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
  - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- (10) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

- (11) Subject to Article 14(12), 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.
- (12) 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.

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

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.

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

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**

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

- (1) There shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the company has two or more directors, at least one of them shall be a natural person.
- (2) Any person 16 years of age or more and 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.
- (3) 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.

- (4) For the purposes of Article 17(3), 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.

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

- (1) 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 Acts 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) 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;
  - (f) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

## **19 Directors' remuneration**

- (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.

## **20 Directors' expenses**

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

## **21 All shares to be fully paid up**

- (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.

## **22 Powers to issue different classes of share**

- (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.

## **23 Classes of Share**

- (1) The issued share capital of the company at the date of adoption of these Articles shall consist of 10,527 A Shares.
- (2) Except as otherwise provided in the articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- (3) The rights attaching to the shares are as follows:
  - (a) On a return of assets on liquidation, capital reduction or otherwise (other than a redemption or purchase of shares made in accordance with these articles), the surplus assets of the company remaining after the payment of its liabilities ("Winding Up Proceeds") shall be applied (to the extent that the company is lawfully able to do so) in the following order of priority:
    - (i) first in paying to the holders of the A Shares as a class the sum of twenty five million pounds (£25,000,000) (to be divided among the holders *pro rata* to their holding of A Shares) and, if the Winding Up Proceeds are insufficient to satisfy such payments in full, the whole of the Winding Up Proceeds shall be distributed to the holders of the A Shares (to be divided among the holders *pro rata* to their holding of A Shares); and
    - (ii) thereafter in distributing the balance (if any) among the holders of the A Shares and the B Shares as if they were one class of share to be divided *pro rata* or as nearly as may be practicable to their holding of shares in the company.
  - (b) On a Sale, the proceeds available to the shareholders ("**Sale Proceeds**") shall be allocated and paid by distributing the Sale Proceeds amongst the shareholders as follows:
    - (i) first in paying to the holders of the A Shares and the holders of the B Shares the nominal amount paid or credited as paid on subscription for their shares
    - (ii) secondly in paying to the holders of the A Shares as a class the sum of twenty five million pounds (£25,000,000) (to be divided among the

holders pro rata to their holding of A Shares) and, if the Sale Proceeds are insufficient to satisfy such payments in full, the whole of the *remaining Sale Proceeds after payment of the amounts referred to in Article 23(3)(b)(i) above* shall be distributed to the holders of the A Shares (to be divided among the holders pro rata to their holding of A Shares); and

(iii) thereafter in distributing the balance (if any) among the holders of the A Shares and the B Shares as if they were one class of share to be divided pro rata or as nearly as may be practicable to their holding of shares in the company.

(c) The board of directors of the company may, at its discretion, declare a dividend on any one or more classes of share without being required to declare a dividend on the other class or classes and may declare a dividend of different amounts in respect of one or more classes of share. Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares of the relevant class held by them respectively and shall accrue daily as well after as before the commencement of a winding up.

(d) Where the whole or part of the Sale Proceeds on a Sale comprises Non Cash Consideration and/ or Contingent or Deferred Consideration, the board of directors (acting with the consent of shareholders holding more than 50% of the nominal value of A Shares for the time being in issue) shall determine how such Non Cash Consideration and/ or Contingent or Deferred Consideration is to be treated which may, without limitation, include either:

(i) using a method to attribute a net present value to the Non Cash Consideration ("**Non Cash Consideration Value**") and/ or the Contingent or Deferred Consideration ("**Contingent or Deferred Consideration Value**") at the time of the Sale in which case such Non Cash Consideration Value and/ or Contingent or Deferred Consideration Value shall be included in the Sale Proceeds for the purposes of Article 23(3)(b); or

(ii) recalculating the division of the Sale Proceeds under Article 23(3)(b) once the Non Cash Consideration Value and/ or Contingent or Deferred Consideration Value has been satisfied in cash ("**Deferred Sale Proceeds**") in which case such Deferred Sale Proceeds shall be allocated between the shareholders as if the Deferred Sale Proceeds had been received on completion of the Sale.

(4) This Article 23 shall continue to have effect as between persons who are the holders of shares in the company immediately prior to a Sale notwithstanding:

- (i) the occurrence of a Sale;
  - (ii) any variations, modifications or amendments to these Articles following a Sale; and/ or
  - (iii) that the holders of shares in the company as at the Sale may no longer be holders of shares in the company after the Sale and where this Article 23 provides for any matter to be determined after a Sale, references to "holders of shares in the company" shall be to those holders of shares in the company immediately prior to the Sale.
- (5) No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, *all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply.*

## **24 Authority to allot Shares**

- (1) Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- (2) Subject to the remaining provisions of this Article 24, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act and generally, to exercise any power of the Company to:
- (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into;
  - (c) otherwise deal in, or dispose of,
- any B Shares to any person, at any time and subject to any terms and conditions as the directors think proper.
- (3) The authority referred to in Article 24.2:
- (a) shall be limited to a maximum nominal amount of £5.56;
  - (b) shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and
  - (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require B Shares to be allotted after the expiry of such authority (and the directors may allot

B Shares in pursuance of an offer or agreement as if such authority had not expired).

- (4) The directors are generally and unconditionally authorised to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority referred to in Article 24.2, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this authority shall:
- (a) be limited to a maximum nominal amount of £5.56; and
  - (b) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require B Shares to be allotted after the expiry of such authority (and the directors may allot B Shares in pursuance of an offer or agreement as if such authority had not expired).

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

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.

## **26 Share certificates**

- (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.

## **27 Replacement share certificates**

- (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.

## **28 Share transfers**

- (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) No holder of shares in the Company or any successor in title shall transfer any share except:
  - (i) an Original Shareholder or his personal representatives or trustee in bankruptcy (as the case may be) may transfer some or all of his shares to another Original Shareholder;

- (ii) in accordance with Article 29; or
- (iii) in accordance with Article 30; or
- (iv) in accordance with Article 32.

## **29 Pre-emption rights on transfer of shares**

- (1) Except where the provisions of Article 28(5)(i), Article 30 or Article 32 apply, a holder of shares in the company ("**Seller**") wishing to transfer his shares must give notice in writing (a "**Transfer Notice**") to the company giving details of the proposed transfer including:
  - (a) the number and class of shares he wishes to transfer ("**Sale Shares**");
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
  - (c) the price (in cash) at which he wishes to sell the Sale Shares ("**Proposed Sale Price**").
- (2) A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- (3) Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- (4) The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the board of directors or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with Article 31.
- (5) As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with Article 29(3)) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 29 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- (6) The directors shall, subject to Article 29(11), offer the Sale Shares in the following order of priority:
- (a) first, to the First Offer Shareholders (if any); and
  - (b) second, to the Second Offer Shareholders (if any).
- (7) The directors shall offer the Sale Shares first to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the “**First Offer Period**”) for the maximum number of Sale Shares they wish to buy.
- (8) If:
- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares in the Company bears to the total existing holding of shares in the Company of all First Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the First Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
  - (b) not all Sale Shares are allocated following allocations in accordance with Article 29(8)(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 29(8)(a). The procedure set out in this Article 29(8)(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
  - (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the “**Initial Surplus Shares**”) shall be dealt with in accordance with Article 29(9).
- (9) At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (if any), inviting them to apply in writing within the period from the date of the offer to the date 120

Business Days after the offer (both dates inclusive) (the “**Second Offer Period**”) for the maximum number of Initial Surplus Shares they wish to buy.

(10) If:

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of shares in the Company bears to the total existing holding of shares in the Company of all Second Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Second Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with Article 29(10)(a), but there are applications for Initial Surplus Shares that have not been satisfied, the directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in Article 29(10)(a). The procedure set out in this Article 29(10)(b) shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications.

(11) In the event that there are no First Offer Shareholders (other than the Seller(s)) at the date of the Transfer Notice and/or Deemed Transfer Notice(s) (as the case may be), Article 29(7) and Article 29(8) shall apply but the Sale Shares shall be offered first to the Second Offer Shareholders (if any) and the provisions of those Articles shall apply to an offer of the Sale Shares to the Second Offer Shareholders mutatis mutandis.

(12) The directors shall, when no further offers or allocations are required to be made under Article 29(6) to Article 29(10) (inclusive), give notice in writing of the allocations of Sale Shares (an “**Allocation Notice**”) to the Seller and each holder of shares in the Company to whom Sale Shares have been allocated (each an “**Applicant**”). The Allocation Notice shall specify the



number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice.

- (13) On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant may reasonably require to show good title to the Sale Shares, or to enable him to be registered as the holder of the Sale Shares.
- (14) If the Seller fails to comply with Article 29(13):
  - (a) the chairman of the board of directors (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
    - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
    - (iv) the company shall pay the Transfer Price into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the company.
- (15) Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 90 days following the date of service of the Allocation Notice, transfer the Surplus Shares to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Surplus Shares (as the case may be) to a third party buyer if that buyer was not identified in the Transfer Notice.

### 30 Compulsory transfer of shares

- (1) A holder of shares in the company is deemed to have served a Transfer Notice under Article 29(1) immediately before any of the following events:
- (a) his death (unless he is an Original Shareholder; or
  - (b) an order being made for the his bankruptcy; or
  - (c) an arrangement or composition with any of his creditors being made; or
  - (d) he convenes a meeting of his creditors, or takes any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
  - (e) his being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
  - (f) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of his assets; or
  - (g) the happening in relation to him of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
  - (h) his lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the company or his shareholding; or
  - (i) his (being an Employee Shareholder) becoming a Departing Employee Shareholder who is a Bad Leaver (a “**Compulsory Employee Transfer**”) (unless the directors otherwise direct in writing within 10 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served). For the purpose of this Article 30(1)(i), the Transfer Notice is deemed to have been served on the relevant Termination Date.
- (2) The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares;
  - (b) in the case of shares which are the subject of a Compulsory Employee Transfer the Transfer Price shall be restricted to a maximum of the lower of the aggregate price paid by the Departing Employee Shareholder in respect of the Sale Shares (whether on issue of new shares or the transfer of the shares from another Shareholder), including any share premium, and the aggregate Fair Value of such Sale Shares; and
  - (c) subject to Article 30(2)(b) the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with Article 31.

### **31 Valuation**

- (1) The Valuers shall be requested to determine the Fair Value within twenty Business Days of their appointment and to notify the company and the Seller in writing of their determination.
- (2) The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
  - (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the company without any premium or discount being attributable to the percentage of the issued share capital of the company which they represent or for the rights or restrictions applying to the Sale Shares;
  - (b) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (d) the Sale Shares are sold free of all encumbrances; and
  - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value.
- (3) The holders of shares in the Company are entitled to make submissions to the Valuers and will provide (or procure that the company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as such holders of shares may reasonably require.
- (4) To the extent not provided for by this Article 31, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- (5) The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on all holders of shares in the company in the absence of manifest error or fraud.
- (6) The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in accordance with Article 29(3), in which case the Seller shall bear the cost.

## 32 Drag along

- (1) If the holders of 70% of the Shares in issue for the time being ("**Selling Shareholders**") wish to transfer all (but not some only) of their respective shares to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Selling Shareholders may require all other holders of shares in the company ("**Called Shareholders**") to sell and transfer their shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 32 ("**Drag Along Option**").
- (2) The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("**Drag Along Notice**") at any time before the transfer of the Selling Shareholders' shares to the Proposed Buyer. The Drag Along Notice shall specify:
  - (a) that the relevant Called Shareholder is required to transfer all of his Called Shares pursuant to this Article 32;
  - (b) the person to whom the Called Shares are to be transferred;
  - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders' shares; and
  - (d) the proposed date of the transfer.
- (3) Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their respective shares to the Proposed Buyer within twenty Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- (4) No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this Article 32.
- (5) Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Selling Shareholders' shares unless:
  - (a) the Selling Shareholders and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
  - (b) that date is less than ten Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the tenth Business Day after service of the Drag Along Notice.

- (6) Neither the proposed sale of the Selling Shareholders' shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in Article 29.
- (7) On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 32(2) to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- (8) To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 32 in respect of their shares.
- (9) If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 32(7)) transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 32(9).

### **33 Transmission of shares**

- (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 transmittes 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.

#### **34 Exercise of transmittes' rights**

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

#### **35 Transmittes bound by prior notices**

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

#### **36 Purchase of own shares**

Subject to the 2006 Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:

- (1) £15,000; or
- (2) The value of 5% of the Company's share capital.

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

#### **37 Procedure for declaring dividends**

- (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends but 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 and no dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.

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

- (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 in writing; or
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at his 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; or
  - (c) 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.

### **39 No interest on distributions**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued or the provisions of another agreement between the holder of that share and the company.

### **40 Unclaimed distributions**

- (1) All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it and 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.

### **41 Non-cash distributions**

- (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.



## **42 Waiver of distributions**

- (1) 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**

### **43 Authority to capitalise and appropriation of capitalised sums**

- (1) 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 these Articles the directors may:
- (a) apply capitalised sums in accordance with Article 43(3) and Article 43(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

**44 Attendance and speaking at general meetings**

- (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 shareholders 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.

#### **45 Quorum for general meetings**

The quorum for a general meeting shall be determined according to section 318 of the 2006 Act and 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.

#### **46 Chairing general meetings**

- (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".

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

- (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.

## **48 Adjournment**

- (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, or if, at any time during a quorate general meeting, the meeting directs him to do so, the chairman of the meeting must adjourn it and he 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.
- (2) 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.
- (3) 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.
- (4) 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 and if, at an adjourned general meeting, a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall be a quorum.

## **VOTING AT GENERAL MEETINGS**

### **49 Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded and acted upon in accordance with these Articles and sections 321 and 322 of the 2006 Act.

## **50 Errors and disputes**

- (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.

## **51 Poll votes**

- (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
  - (c) 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.

## **52 Content of proxy notices**

- (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 these 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.

## **53 Delivery of proxy notices**

- (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.

#### **54 Amendments to resolutions**

- (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**

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

- (1) Anything sent or supplied by or to the company under these Articles may be sent or supplied in any way in which the 2006 Act 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) Every notice convening a general meeting shall comply with the provisions of section 307 and 325 of the 2006 Act as to the length of notice required for the meeting and the giving of information to shareholders in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any shareholder is entitled to receive shall be sent to the directors and to the auditor for the time being of the company.

- (3) 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.
- (4) 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.

## **56 Company seals**

- (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.

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

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.

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

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

### **59 Indemnity**

- (1) Subject to Article 59(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 2006 Act),*
  - (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.

### **60 Insurance**

- (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.